The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

ARTICLES IN THIS ISSUE

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Mongolians Capture Japanese Army Surveyor and Keep His Instruments

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Outlook for National Unification Is Dimmed . By Paul K. Whang

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The China Weekly

REVIEW

Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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LAX MUNICIPAL FACTORY INSPECTION

ON the night of June 28 an explosion occured in a celluloid factory in the International Settlement of Shanghai. As a result of the explosion, and the fire which was started by it, a total of 27 Chinese, including eight women and two children, were burnt to death. The premises concerned were those of the Great China Toy Factory, situated at the corner of Ichang and Ferry roads. Not only were the homes of the factory workers inside the celluloid manufacturing premises destroyed, but the fire spread so rapidly that the havoc extended to property and people not in any way connected with the factory. In addition to those who were killed, more than two score persons were seriously injured in this holocaust.

Whatever may be the merits of the dispute that is going on between the Shanghai Municipal Council and the Chinese authorities regarding factory inspection in Shanghai, it is evident that the Municipal authorities are far from executing in an efficient manner the responsibilities of factory inspection which they have taken upon themselves, with all suggestions from the Chinese firmly declined. This disastrous explosion has been one of several that have occurred in Chinese factories in the Foreign Settlement of Shanghai during the past year. In this particular instance, aside from the fact that it was a mistake to allow a factory engaged in such a dangerous trade as the manufacture of celluloid to operate in a residential district, it was an even greater error to allow the workers to maintain living quarters on the premises.

We have no desire to embarrass the Municipal authorities by insisting that they should defer to Chinese wishes in this matter of factory inspection, because we know the main reason why the Council does not wish to agree to the Chinese idea is that it knows that the Japanese authorities, in the existing state of affairs, would under no circumstances agree to Chinese control over Japanese-owned factories. But it behooves the Foreign Municipal authorities to exercise much more care in their inspection of factories than they have up until this time or they will have not a "leg" to stand on in any further arguments on this factory inspection matter *vis-a-vis* the Chinese authorities.

WHY NOT A PLEBISCITE OF AMERICAN-ORIENTAL DEPOSITORS?

IT is now seven weeks since the American-Oriental Bank and allied institutions closed their doors. So far the depositors have not received any inkling of what their eventual fate is to be, other than statements from the liquidator to the general effect that the liquidation may take several years. A correspondent who signed himself "Watchful Depositor" wrote to the *China Press* last week to the general effect that the average depositor would rather make sure of getting some small percentage now instead of some hypothetical larger amount some years hence. This correspondent mentioned incidentally that if the liquidation is to run over a period of years, undoubtedly the liquidation expenses will run into several hundred thousands of dollars. No one connected with *The Review* has had any experience as a liquidator and we will not presume to criticize whatever course the liquidator may decide is the best in the interests of shareholders. However, we are led to believe that many depositors, especially those with small accounts, agree with the view of the correspondent above quoted. The point brought out that, if the liquidation is to extend over a period of years, the liquidation expenses will amount to a very considerable figure is reinforced by the fact that we are informed that the liquidation of the bank that previously used the premises in Nanking Road occupied by the Raven institutions is not yet completed after all these years, and in the meantime the liquidator and his legal staff are still drawing salaries.

It might not be a bad idea for the liquidator of the defunct Raven bank to hold a sort of referendum in which depositors would be able to vote as they do in company meetings—that is, their votes should have weight according to the amount of their interest. The proposition as we suggest that it should be put up to the depositors would be something to the following effect:

> "Would you rather that the liquidator should foreclose against large borrowers and generally adopt the policy of securing immediate payment even at a sacrifice, or would you prefer to have the liquidator 'nurse' the debtor institutions with the hope of getting a somewhat larger return later on?"

We do not suggest that the liquidator should adopt such a course at once, but we believe that the holding of such a referendum in due course would be the sensible thing to do. It may be recalled that Judge Helmick was quoted as saying, during the interim between the closing of the bank and the appointment of Mr. Hough as the liquidator, that he wanted a man who would do a "hard boiled" job; and Mr. Hough on taking the appointment stated that he would try his best to follow out this idea. So far, we believe the liquidator has been doing just that sort of a job, and the matters which he has brought to light have been startling in the extreme. But the fact should not be lost sight of that if the liquidation is not run on what might be termed an express schedule it might turn out that eventually it might furnish an example of the law of diminishing returns.

THREE HUNDRED THOUSAND DOLLARS WORTH OF DIAMONDS

AS the result of the decision given by Magistrate Haines in the British Police Court in Shanghai on June 8, something like three hundred thousand dollars worth of diamonds, mostly in a finished state, are lying in the custody of the British Court, awaiting the return of the reputed owner of the diamond cutting works in Shanghai from which the Chinese Customs authorities, acting with the authority of a search warrant, seized the diamonds several weeks previously. The decision of the Court freed the two British defendants. The Court did not decide the question of whether the diamonds in question had been smuggled into China, as indeed any one who has watched the case must conclude they had been. The Court merely decided that the Customs prosecution had not, according to the rules of evidence applying in British Courts in China, proved the connection of the two defendants with the "importation"—to use the words in the charge. The Magistrate, however, mentioned that in case the rules of evidence as applied in England were in force, he probably would have held that the onus would have been upon the defendants to prove that these diamonds were not smuggled. In view of this situation it is certainly high time the British Orders in Council were amended to bring procedure here in China in line with that in England, in the same way as was done years back when in the course of a certain share transaction case it was alleged that a certain broker had committed perjury. When the case came to trial it was found that through a loophole in the British Order in Council there was no provision for punishment for perjury in the circumstances in which the defendant had allegedly committed the offense.

It is quite evident that if a similar prosecution had been brought by the Customs against a Chinese, or a foreigner subject to Chinese jurisdiction, the entire question of how those diamonds got into their possession would have been gone into and the onus would have been on them to prove that they had not been smuggled. And then, the Chinese Court, in the absence of definite proof that those diamonds had paid duty, would undoubtedly have ordered the people in whose possession they were to pay the duty—or what would more likely have been the case, the possessors would have been fined and the diamonds confiscated.

It is a foregone conclusion that if laws applicable to foreigners in China are of less severity than those applied in their own respective countries, the Chinese government has every reason to insist that extrality shall be brought to an end at once regardless of any other considerations.

Italy in Abyssinia Follows in Footsteps of Japan in Manchuria

THERE is a remarkable similarity between the Italian attitude regarding Abyssinia and the Japanese attitude towards Manchuria. The Japanese always harped on the phrase that the League of Nations should take into consideration "the actualities of the situation." On July 9 the semi-official *Giornale d'Italia* in Rome urged England to take less seriously the prestige of the League of Nations but instead endeavor better to understand Italy's "legitimate needs." The present indications are that the little that was left of the prestige or power of the League of Nations and the Kellog Peace Pact after the Japanese defied practically the whole western world more than three years ago will be practically obliterated by the action which Italy intends to take against Abyssinia.

Great Britain finds itself in an even more difficult position in adopting a policy towards the Abyssinian problem than it did in the case of Manchuria. Britain's interests in Africa are much more threatened by Italy at present than they were by Japan's move into Manchuria. There is a growing community of interest between Britain, Japan and Germany. The Germans are anxious to get back their African colonies and the British are quite agreed, as they need an ally in the "Dark Continent" under existing conditions. The German press generally has been "roasting" the Italians, and the Japanese press has of late shown itself very friendly to the Germans. As an example of this may be cited the fact that on July 5 the semi-official *Japan Times* published a special German-Japanese Friendship Number, with the announcement to said effect running across the front page in letters an inch high. Twelve pages were devoted to articles written by prominent Japanese devoted to such themes as "German and Japan Linked by Material and Spiritual Ties," "Aim of Japan and Germany to Maintain World Peace," "Japan and Germany Linked by Mutual Esteem," etc.

⁂

Advices from Rome early this week indicated that Italy intends to obtain satisfaction by military operations in Africa, and a desire was expressed in some quarters in the Italian capital that the campaign be started before August 25, when the dispute is due to come up before the League of Nations. On the other hand, it was not considered likely that Italy would start military operations against the Abyssinian Army, which numbers nearly 1,000,000, without having at least 250,000 troops in East Africa. The Italian forces there at present are estimated at 150,000, including native troops in her colonies in East Africa. The question of water supplies and the fact that the rainy season does not end until September are other important considerations, which the Italian commanders must consider before they start their campaign.

Italy, to-day, from all accounts is seething with internal dissension, and Il Duce is following the historic policy of deflecting the discontent of his people towards some enemy abroad, and the Abyssinians have provided an excuse. News from Italy to-day is so strictly censored and correspondents are so closely controlled that the truth as to what is going on in Italy is only obtained when some correspondent has been deported from the country and then at last finds himself free to speak the truth while he writes from some spot outside of Italy. The Italian jails are full of intellectuals who have done nothing more than merely criticize Il Duce's policy. The secret police arrest hundreds on suspicion of raising objection to Mussolini's African adventure. Those who openly speak against the proposed campaign in East Africa are jailed forthwith. The financial situation of Italy is probably the worst of any country in Europe. The unemployment situation is so bad that in some districts it is forbidden for farmers to make use of machinery in the present harvests so that the work may be dragged out longer and furnish employment. The majority of the soldiers conscripted by Italy are drawn from the ranks of the unemployed.

⁂

Apparently hoping to strengthen the support which it seeks from the League of Nations, the Ethiopian Government July 4, appealed to the United States to intervene in the Italo-Ethiopian border controversy for the purpose of avoiding an outbreak of war. The American Government was asked to consider some way of persuading Italy to observe her commitments under the Briand-Kellogg anti-war pact. The appeal was contained in a five-page note handed to William P. George, the acting American Charge d'Affaires in the Abysssinian Capital. The appeal was prefaced by a lengthly resume of the Italo-Ethiopian controversy and contended that Italy intends to conquer Ethiopia. It also reiterated Ethiopia's determination to defend her independence by all legal means and to continue her efforts for a peaceful solution. The U.S. Government failed to respond to the Ethiopian (Abyssinian) appeal.

It was announced in Washington on July 9 that Cornelius Van H. Engert, outstanding American expert on Near East affairs and Oriental languages, had been ordered to Addis Ababa as Charge d'Affaires and Consul-General. He has been First Secretary of the United States Legation at Cairo, Egypt. George Hanson, formerly Consul-General at Harbin, where he did excellent service, was originally designated for Addis Ababa but while he was en route to his new post a change was ordered so that Mr. Hanson will assume the post of Consul-General at Salonika. Although Mr. Hanson is a veteran diplomat and is especially regarded as an expert trouble-shooter for the State Department, he does not speak Arabic nor any of the Near Eastern languages. Furthermore, it was pointed out he has very little expert knowledge of Near Eastern Affairs.

The Japanese People and Their Emperor

THERE are something like seventy million Japanese living in the isles which comprise the Empire of the Rising Sun and probably a million or so elsewhere, all of whom are taught to believe that the Emperor is the direct descendant of an unbroken line going back some thousands of years and that as such he is virtually the Son of Heaven. The ruling classes of Japan are now assiduously engaged in teaching this idea to some twenty millions of Koreans and some four millions of Formosans. If the Japanese people desire to ascribe to their Emperor a divine origin, and doubtless most of the Japanese do, they are altogether within their rights in professsing such a belief; if they wish to attribute to their Emperor the status that they claim for him they are perfectly entitled to do so, although non-Japanese will probably reflect that an element in the belief is that it tends very much to foster an intense *amour propre*. The Japanese are perfectly entitled to sing their *Kimi ga yo* with the same fervor that Americans sing the "Star Spangled Banner" or the British "God Save the King." But there is one point that the Japanese nation should not lose sight of and that is that they are hopelessly in the minority in ascribing such divine origin to their ruler. Certainly the hundred odd million of Americans do not believe it, nor do the four hundred million Chinese, nor the three hundred million odd Indians, nor any of the nations of Europe, nor (so far as we are aware) do any of the rest of the approximately two thousand millions that constitute the population of this earth. In other words the proportion of the world's population which does not believe in the divine origin of the Emperor of Japan is as 28 to 1.

The fact that one is in a minority in a belief is not, however, to be taken as arguing that the belief is necessarily wrong. For example, many millions of followers of the meek and lowly Nazarene believe that he is of divine origin. They send emissaries to the uttermost parts of the earth to preach the idea and the more enthusiastic of these emissaries threaten their auditors that they will suffer tortures in the great hereafter if they don't believe it. Some centuries back, during the days of the Inquisition, the teachers of this belief were not satisfied with merely threatening punishment to disbelievers after death, but proceeded to punish disbelievers by stretching their bones in a rack, by applying hot irons and by inflicting many other similar tortures. Such were some of the methods used to inculcate belief in the divinity of their Leader!

The days of the Inquisition are now happily past, and nowadays when the "heathen" disbelieve, the missionaries merely pity, but do not attempt to punish, the disbelievers.

Followers of an idea, particularly those who are in a minority, are frequently inclined to be offended if others do not share their views and in this category we believe we are correct in saying the Japanese are to be placed as regards the belief in the divinity of their Emperor. They are not satisfied in merely believing it themselves. They are offended if others do not believe, or if they do not at least make a pretence at believing. They are not only offended, but they show a desire to humiliate and punish those who do not bow before the same idea that they bow.

The Japanese almost to a man point to the great unity of their nation as one of the fruits of the reverence which they pay to their Emperor. But we doubt very much whether the Japanese are any more united than the British, for example, showed themselves to be at the time of the King's Silver Jubilee. But no Briton claimed that their King was the Son of Heaven. Nor do we believe that the Japanese are any more united or fervent in patriotism than are Americans, who emphatically do not believe in having a king, either by "divine right" or by reason of any other qualification.

Just one more point which should not be lost sight of by students of history, no matter what their nationality. The only *really definite and permanent* result of the World War was that in every nation that was defeated (and in this category we place Russia) where the rulers claimed to hold their posts by divine right (Kaiser Wilhelm frequently stated this in his speeches), the people of said countries *themselves* deposed these rulers. They were constrained to take this action when they realized that they were deceived by their rulers into believing the tale about their divine right to rule. Whether the populace of those countries, for example Germany and Russia, are any better off under their new rulers than they were under the old ones, is of course another question. But this much can be said in favor of Stalin and Hitler: They do not presume to rule their people with an almost iron hand by virtue of the fact that their fathers did so; they climbed to their present positions by sheer ability.

***

To a certain extent the above reflections are evoked by the case of the *Hsin Seng* weekly, which it appears made some remarks about the Emperor which the Japanese didn't like. What those remarks were we have not been able to find out, as the suppression of the paper seems to have been done very efficiently. Details of the Japanese reaction are to found in another column, mostly translated from the chauvinistic Japanese daily newspaper, the *Shanghai Mainichi*. We doubt very much whether the comments by the suppressed weekly were such as would have been considered anything outrageous in anybody else's eyes except the Japanese. In fact the Japanese are making "such a fuss over"—to use a very common Japanese idiom—the matter that we very much suspect their real object is to rub it in, not so much because of these particular comments, as to use the incident as a lever to prevent any criticism of the Japanese whatever in the Chinese press, so that they may blithely go on in their swashbuckling course in China, while the Chinese

look on with a gag in their mouths. *Yamatao damashii*, we sincerely believe, would not suffer very much in the end if the Japanese were to use somewhat more forbearance in these matters. Extreme sensitiveness does not comport well with a feeling that one is really strong. Let us cite two examples by way of contrast. Some years back there was a very radical Scotch Labor leader named Keir Hardie. (By the British in Shanghai the first name was usually pronounced "cur.) In a speech he made use of the following words: "If it had been the fate of King George to have been born in the ranks of the working class he would probably have been a street corner loafer." That speech was delivered, not in China or in some other foreign country, but right in the city of Glasgow. The British Government took no action against him. The average Englishman merely shrugged his shoulders. Then there is that very much older incident of the Roman Emperor, who, when some of his courtiers told him that one of his greatest enemies had publicly slapped the face of his statue in the public square, calmly replied, as he stroked his own face with his right hand, "I didn't feel it."

G. W. M.

Red Ghosts, Japanese Propaganda, or Has the Silly Season Begun?

TWO most mysterious typewritten manifestoes, one entitled "An Appeal of the Central Government of Soviet China Concerning the Japanese Seizure and Chiang Kai-shek's Betrayal of North China," and the other entitled "A Statement of the Central Committee of the Communist Party of China on the Japanese Seizure of North China," have recently been circulated through the mail from some Shanghai source.

Both are written in a style almost worthy of a certain local foreign camp-follower of the Chinese Revolution who was once its sob-sister and later its crystal-gazer, and the first, bearing the typewritten names of Mao Tse-tung, Chu Teh, *et al*, concludes with this geomantic gem:

> ". . . . far from being annihilated the Red Army and partisans have enlarged their activities in Kiangsi, Kwangtung, Fukien, Chekiang, Anhwei, Honan, Hupeh, Hunan, Szechwan, Kweichow, Yunnan, Sikong, Shensi, Kansu, Shansi, Honan, Fengtien, Kirin and Heilungkiang, counting 19 provinces. The news of the success of the Red Army has spread over the whole world. This clearly proves that the Red Army, led by the Communist Party of China and backed up by millions of the oppressed people, is invincible, that we really have sufficient strength back of us to smash Japanese imperialism and Chiang Kai-shek with his bandit gang, the Blue Shirts."

And the following sibylline statement adorns the second manifesto:

> "Don't be deceived by Chiang Kai-shek who says we are not strong enough to fight Japanese imperialism. Look at comrades Chu Teh and Mao Tse-tung who have broken through the 5th campaign of Chiang Kai-shek, lackey of Japanese imperialism, relying only on the few hundred basic armed units at their disposal. They have been able to achieve this with the support of millions of workers and peasants under the right leadership of the Communist Party. 1,000,000 white troops have failed to break the Red Army. On the contrary, the Red Army has been able to carry the Soviet banner far into the southwestern provinces, once threatening to take Kweiyang, Quinming and Chengtu, gaining many sweeping victories. The countryside in Kiangsi is still in our hands. Here and there the Soviets and Red Army have made more or less gains. Certain sections of the Red Army have doubled their fighting strength in the several months past."

The last allegation recalls the time when the American Socialist Labor organ announced that while the party had lost one vote in Schenectady, its strength in Chicago had doubled—but this impressive record had been scored by one of the two voters in Schenectady moving to Chicago!

Superficially it might appear that there was not any mystery about these documents, that they were no more, no less than what they purported to be—statements of the Chinese Communist Party. Similar stuff appears frequently in such organs of enlightenment as *The New Masses* and the New York *Daily Worker*. But one can expect almost anything about China(ranging from avowals that Chinese physicians receive no pay from sick patients to tales of mandarins kidnapping fifth-rate chorus girls in Jessfield Park) in the more low-brow journals of the West. And specifically, Moscow's house-organs over the world are compelled to romanticize about mysterious Cathay in order to maintain the tradition of Stalin's papal infallibility in the face of the rising tide of counter-revolution in Western lands.

In Shanghai, however, the Communist Party cannot issue any manifestoes for the simple reason that, for all practical purposes, there is no longer any Communist Party. Nor is there any "Central Government of Soviet China" any more. Of course, there may still be an insignificant Communist party machine in Shanghai, probably staffed largely by police agents, but a wave of wholesale arrests and capitulations to the Kuomintang in the latter part of last year ended the organization even as a handbill distributing agency. There hasn't been a Communist-led strike or a Communist-directed labor union in more than a year, and this last May there was scarcely a Red leaflet to mark the anniversary of any one of the numerous "humiliation days." And the Shanghai CP was the last in the land.

While there are still quite a number of Red guerrillas dodging aerial bombs in the remote interior, and even a few peasant soviets still left, there is not, nor has been since the fall of Juikin last year, anything that could be dignified by the name of a"Soviet Central Government."

So the manifestoes couldn't have come from the Chinese Communist Party or the "Central Government of Soviet China"—unless their ghosts are taking up typing. Or possibly their ghosts have a living literary "ghost," but this is no place for either psychic or psychopathic research.

Besides, there are at least two other explanations of the mystery. It may be noted that the purportedly factual data in the passages quoted from the manifestoes might have been copied from George Bronson Rea-san's "The Case for Manchukuo" which was reviewed not long ago in these columns. Rea-san also had practically all of China vividly scarlet in order to justify Japan's imperialistic rampage.

Could it be, therefore, that other propagandists of the same school are invoking the names of the late (and in most quarters unlamented) Chinese Communist Party and "Central Government of Soviet China" to bolster up Rea-san's thesis? Well, stranger things have happened in this wondrous Celestial realm.

But if this explanation seems too Machiavellian, there is still another that is short and simple: maybe the Shanghai silly season has begun. If so, the postman will probably soon deliver another manifesto announcing that all the depositors in the American-Oriental Bank will be paid in full next April 1.

W. B.

Alleged Insult to Japanese Emperor—Chinese Editor Sentenced—No Appeal Permitted

THE principal Japanese daily newspaper in Shanghai (the *Mainichi*) has of late almost daily contained articles concerning the now defunct "*Hsin Seng*" ("*New Life*") weekly journal, published in Shanghai, which in addition to articles of an anti-Japanese character, generally included alleged aspersions on the Japanese Emperor, although what they actually were has never been made clear. On July 6 the *Mainichi* said that in addition to demanding that the author of the article and those responsiblefor its censorship be severely punished, the Japanese will demand that the Municipal Headquarters of the Kuomintang, the Blue Shirts, and CC Group be abolished in Shanghai and its vicinity: The Japanese, the *Mainichi* stated, further insist that the Central Headquarters of the Kuomintang be abolished and that Gen. Chiang Kai-shek and Wang Ching-wei make sincere apologies for the insult.

The previous day the *Mainichi* stated that it was impossible to conduct the judicial inquiry into the *Hsin Seng* case because Yie Sui, the author of the article offending the Japanese Emperor, could not be found. The inquiry had been scheduled for that day. Tu Chun-yuan, the publisher of the magazine, who was charged by the Second Branch of the Kiangsu High Court to send a note to the author, summoning him to appear before the court, notified the court that he could not find the author's address. The Japanese (according to the *Mainichi*) feel that the Kuomintang officers have given Yie Sui orders to absent himself. "The Japanese residents in Shanghai, as also all people in Japan, are indignant over such insincerity. Of course, the Chinese authorities will be held responsible for any unexpected incidents which may occur," the *Mainichi* commented.

On July 4 the *Mainichi* gave an account of the proceedings of a meeting of the Japanese Residents Association, when the Japanese Consul-General at Shanghai made a detailed report on the negotiations being carried out in connection with the *Hsin Seng Weekly* case.

"All demands of the Japanese have been accepted by the City Government of Greater Shanghai", the Consul General said, "now it is only necessary to see that the Chinese authorities comply with these demands." He told members of the Association that Mr. Ariyoshi had started negotiations on the same matter with Nanking leaders, and he believed that the latter would accept all demands set forth by the Japanese Ambassador.

Japanese Military Attache Gives Views

The following views were made public by the Japanese Military Attache in Shanghai at the same time:—"A large number of Japanese residents are dissatisfied with the measures taken by the Japanese authorities in regard to the *Hsin Seng* case. These residents feel that these measures are too mild, and that violent steps should be taken to settle the question. However, such an attitude is imprudent. The Japanese Foreign Office is conducting serious negotiations with the Nanking authorities in regard to the matter, and we can assure you that the demands made by our people will be satisfied. Successful completion of negotiations depends on the solidarity of our people".

False Policy Alleged

"The *Mainichi* stated that certain Chinese circles contend that, despite their superficial sincerity, the Central and Municipal Kuomintang authorities are vigorously preventing the court from carrying out the examination. "The Chinese authorities are asking that the Japanese understand the difficult position and that they be indulgent in regard to the settlement of the matter. However, the Japanese residents are most dissatisfied with the attitude of the Chinese authorities, who are continuing their false policy," the *Mainichi* commented. On July 5, the *Mainichi* quoted "reliable circles" to the effect that the Japanese flagship *Antaku* left Hankow suddenly for Nanking where it would anchor to supervise the settlement of the *Hsin Seng* case.

On July 6, the *Mainichi* stated that it had learned that the Shanghai Civic Association, which had subsidized the *Hsin Seng* Weekly, is the successor to the Association for the Support of the Anti-Japanese Volunteers in the North-east and that part of the funds of the Association for the Support of the Volunteers was allotted for the installation of the Shanghai Civic Association, which was to be devoted to all kinds of anti-Japanese and anti-Manchurian activities. All anti-Japanese magazines, papers and mosquito papers have been subsidized by the Association, which was formerly headed by the late Sze Liang-tsai, and of which Tu Yueh-sen is now leader. Tu Chun-yuan, the publisher of *Hsin Seng* Weekly, once served as the Head of the General Department of the Civil Association, the *Mainichi* added.

Abolition of Central Kuomintang Authorities Demanded by Japanese

The *Mainichi* also printed the following on July 4:—"The Central Kuomintang Headquarters at Nanking is being faced by a serious problem as a result of the *Hsin Seng* case. Since the contents of the magazine were passed by the Kuomintang Board of Censors, the Central Kuomintang is responsible for the insult to the Japanese Japanese Emperor. They are demanding that the Central Kuomintang Headquarters be abolished. According to well-informed circles, the Chinese authorities are trying to place the responsibility on Tu Chun-yuan so as to relieve the Kuomintang from all the complications. The Japanese will not countenance such an attitude on the part of the Chinese authorities."

"The More the Chinese Climb Down, the More the Japanese Demands Will Be Intensified"

The London *Times* of July 5 stated that if the Japanese Foreign Office had not taken notice of the alleged scurrilities of the *New Life* Weekly, it might well have given the Army or Navy an excuse for drastic action within or near the boundaries of the International Settlement. In a sense, therefore, the journal adds, it is satisfactory that Mr. Ariyoshi, the Japanese Ambassador to China, and not some General or Admiral is demanding satisfaction from the hard pressed Chinese Government.

Reuter said that circles interested in China are relieved at the news that the Shanghai dispute has been settled, but many point out that the more the Chinese climb down, the more will he Japanese demands be intensified.

"Mainichi" Says Blue Shirts Support Those Responsible for "Hsin Seng" Case

The *Mainichi* July 7 said: "Because he has been threatened and instructed by the Kuomintang members and Blue Shirts, the publisher of the *Hsin Seng* Weekly, Tu Chun-yuan, told the court during the second inquiry into the case, that some short articles published by the magazine have not been passed by the Censorship Committee, so as to relieve the Government from the responsibility. However, the Japanese are well aware of the fact that the article derogatory to the Japanese Emperor was passed by the Censorship Committee. Despite the Government's order prohibiting the circulation of the magazine, many bookstores in the town are secretly selling the *Hsin Seng* Weekly. In spite of the orders by the City Government and the court, the Kuomintang office and Blue Shirts are reluctant to hand the author of the derogatory article over to the court for examination."

"A series of letters and appeals are being sent by Japanese residents here to the Japanese authorities to the effect that strict measures should be immediately taken for the immediate settlement of the *Hsin Seng* case. Some of them hold the opinion that the immediate abolition of the Central Headquarters of the Kuomintang and an apology from Gen. Chiang Kai-shek and Wang Chin-wei are 'absolutely necessary.' Others are of the opinion that the Japanese should be given entire charge of the case. However, the majority of the more conservative elements are insisting that the offices of the Kuomintang and the Blue Shirts be withdrawn from Shanghai and its vicinity. In other words, Japan will take resolute steps to settle the case if the Kuomintang and the Nanking government continue their anti-Japanese stand."

Seven Censors Dismissed for "Neglect"

The Central Publicity Committee of Central Kuomintang July 8 ordered the dismissal of seven officials of the Shanghai Magazine and Book Censorship Committee for their alleged negligence in allowing the article "Gossip about the Japanese Emperor" to appear in the *New Life* Weekly. The officials dismissed from their posts are: Hong Teh-yien, Chu Tsz-shang, Chang Tseng-yih, Tai Peng-tien, Liu Min-kao, Chen Wen-shu and Wong Siu-ten.

The "Hsin Seng" Case as Seen in Japan

The *Osaka Mainichi* (English edition) commented as follows editorially July 5 on the *New Life* incident:

"Ambassador Ariyoshi is holding the Nationalist party solely responsible for the affair and, having presented demands based upon the decision of our government, is calling upon China to make good what is demanded by Japan. Since the incident affects the dignity of our Imperial Family, it is proper for Ambassador Ariyoshi to make the heroic resolution to see our demands all complied with, even suspending all diplomatic parleys so far started. The incident started when the Chinese periodical *Hsin Seng*, published in Shanghai, printed an article of lese majeste nature. Consul-General Ishii in Shanghai first lodged a strong protest with the Chinese authorities, which resulted in a formal apology from the mayor of Shanghai, suspension of further publication of the periodical and punishment of the writer of the article in question. The incident was closed for the time being. But in the public hearing at the Shanghai supreme court, by the statement of one who is responsible for the publication of the magazine, it was

revealed that the article had the official sanction of the Nationalist party, which led to the demands by Ambassador Ariyoshi. In Shanghai alone there have been as many as four lese majeste cases in recent years, and it is still fresh in our minds that the publication of a similarly highly offensive article in a Chinese newspaper in Shanghai proved to be the important factor that eventually developed into the Shanghai incident. The occurrence of objectionable affairs of this nature, as is made clear above, should not be disposed of as mere impropriety of those responsible for the publication of newspapers or magazines. The responsibility, indisputably, rests with the Nationalist party, which controls the organs of public expression. It is a manifestation of the mistaken guiding spirit incurably bent against Japan and to insult Japan, influenced by the Three Principles of Sun Yat-sen. And the dual Japan policy of General Chiang Kai-shek makes things worse. The camouflaged Japanophile of General Chiang has been completely exposed by the recent North China issue. The basic spirit that prompted our country to settle the North China problem was to establish permanent peace in the Far East by correcting the dual policy of General Chiang. However, General Chiang has kept himself out of the state capital, evading responsibility and showing no sign of solicitude to solve the issue.

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Boisterous Scenes in Court When "New Life" Editor Is Sentenced

Boisterous scenes took place at the Second Branch Kiangsu Court in Shanghai July 8 when Tu Chung-yuan, editor and publisher of the *New Life* Weekly, which on May 4 published an article declaring that most emperors in the world, including Emperor Hirohito of Japan, are mere figureheads, was senteneed to serve a 14-month jail term. The sentence was pronounced by President Judge Yueh Hua of the Second Branch Kiangsu High Court who refused the prisoner's application for an appeal. When the accused's attorney asked for suspension of sentence, and also for a new trial—all provided for by China's criminal law—Judge Yueh several times ruled: "Circumstances will not permit it."

President Judge Yueh's rulings caused a storm of protest. Mr. Tu banged his fists on the railing of the dock and shouted: "China's law has been conquered by Japanese!" The exclamation brought an echo from the spectators, who shouted "Down with the Nanking Government!" "Down with Japanese Imperialists!" and denounced Government leaders. Handbills of an inflammatory nature were scattered about the court room, the text of one of which is reproduced herewith.

Door for Appeal Still Open, "Evening Post" Points Out

A spokesman of the Japanese Embassy in Shanghai July 10 when asked by the *Evening Post* regarding reports that Ambassador Ariyoshi was to protest to Nanking against the demonstration in the Second Kiangsu Court as anti-Japanese in nature, denied that any decision had been reached or that the matter was in the hands of the Embassy, insisting that the Consulate General had jurisdiction and had not yet completed its investigation.

The *Post* indicated that the door of appeal is not yet formally closed to Mr. Tu in spite of Chief Justice Yeh Hua's position in sentencing the editor and publisher to 14 months' imprisonment. The Judge took the attitude that no appeal could be had and that accordingly, bail should not be granted pending such appeal. But this was all verbal and Mr. Tu has the course open to him of formally filing an appeal, and if this is denied in writing (the Judge's verbal remark having no binding force), he may then appeal to the Supreme Court from this order denying his appeal—a process known in Chinese as "king kao" resembling the writ of error in Western jurisprudence. Whether the defendant would have any success in a Supreme Court appeal is another matter, as this court considers only questions of law, not of fact, and legal observers appear to feel that in everything directly pertaining to the case on trial (as detached from the debated question of appeal) the law was soundly administered. The judge's action in denying bail is stated to be permissible under Chinee procedure.

Herewith is printed a reduced facsimile copy of the hand-bills that were thrown into the Chinese Court when the sentence was pronounced on the editor of the "New Life" (Hsin Seng) Weekly, July 8. The translation of the words is: "Support the Anti-Imperialistic and Anti-Japanese New Life Weekly." The peculiar characteristic of the calligraphy is that it is of a type not in general use by Chinese, but by Japanese—the first two characters in particular. If the writer was a Chinese he purposely imitated the Japanese style. If he was a Japanese he was playing the role of an "agent provocateur."

How the "Hsin Seng" Case Was Settled

The *Shanghai Mainichi* of July 9 gave the following details of the settlement of the *Hsin Seng* case:

As a result of prolonged negotiations between the Japanese and Chinese authorities, all the demands which the Japanese side made of the Chinese Government have been completely accepted by the latter:

1) Six officials from the Board of Censors of the Central Publicity Conncil, including the Chief of the Department of Censorship, Chu Tse-tsao and the secretary of the same organization, Hang Teh-yien, have been dismissed.

2) It has been decided to reorganize immediately the Board of Censors.

3) On July 7, a formal apology from Yeh Tsu-tsang, the Chairman of the Central Publicity Council was handed to Mr. Ariyoshi, through Tang Yu-jen, the Vice-Minister of Foreign Affairs.

4) An order was issued by the Central Publicity Council to the various provincial and municipal party organs, reiterating the instructions of the Central Government for the discontinuance of anti-Japanese activities, and for avoiding recurrence of similar incidents.

5) The Government policy towards Japan has been again explained by the Central authorties.

"Special attention should be paid by the Japanese circles to the materialization of these demands, which have been accepted by the Chinese Government," the Japanese military attache in Shanghai stated.

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Chinese Bookseller Sentenced for Selling Book with Anti-Japanese Themes

The sale of books and magazines with anti-Japanese themes is illegal, Judge Tai Yung-po ruled in the First Special District Court July 10 when he sentenced Wong Ping-nan, bookseller, to three months imprisonment and ordered the detention of 2840 copies of "19th Route Army," published by the Wen Hwa Artistic Publishing Company, 380 Foochow Road. Wong was arrested on Muirhead Road selling pictorials entitled "Northeastern Volunteers." He was charged under Article 153 of the New Criminal Code, which reads: "Whoever by writings, pictures, word of mouth or any other means; (1) Publicly incites another to commit an offence; (2) publicly incites another to transgress the law, or to disobey any lawful order; shall be punished with imprisonment for not more than two years or detention or fine of not more than one thousand yuan."

Wong contended that he had been selling the pictorials without knowing their contents. He had been selling the books to earn a living. Judge Wong held him guilty and delivered the sentence, suspending it, however, for three years.

Judge Tai also disposed of 2840 copies of the "19th Route Army" seized by police on July 6. Holding that the books contained anti-Japanese themes, the judge ordered the books detained in Court.

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General Chiang Tso-ping Believes in Friendship with Japan

In noting the departure of General Chiang Tso-ping, Chinese Ambassador, from Tokyo, the *Osaka Mainichi* said:—"The Chinese envoy is believed to be of the opinion that friendship with Japan is the only policy to be adopted by his government, and that the policy of relying on Europe and America is only provoking public opinion in Japan. It is held most desirable, therefore, that the many problems pending between two countries should be settled as soon as possible. Among the problems which remain unsettled are the projected wireless cooperation of Japan and China, liquidation of many defaulted loans, reduction of the high tariff wall against Japanese goods, contemplated revision of the Chinese regulations concerning foreign licensed pilots in China's waters, etc. The Chinese ambassador has been made fully aware that a considerable number of Japanese, both in government and the business quarters are ready to cooperate with China. Taking advantage of this situation, General Chiang is said to have reached the conclusion that his country should respond to the Japanese suggestion to save China from her present distress."

A Possible Three Billion Yen Budget Confronts Japanese Finance Ministry

THE harassed officials of the Japanese Finance Ministry are confronted the possibility of a nearly three-billion-yen Budget in 1936-37, as the estimates for new expenditure formulated by various ministries rose to the record figure of Yen 1,200,000,000. Outstanding among the sums to be asked by various departments for new expenditure will be the estimates of the War and Navy Offices, which will ask for Yen 650,000,000, in addition to Yen 1,000,000,000 for ordinary expenses. The Ministries of Home Affairs and Agriculture and Forestry are expected to seek new credits totalling Yen 250,000,000 most of which will be intended for rural and industrial rehabilitation. The steadily growing national debt of Japan will exact its toll in the form of Yen 80,000,000 for the payment of interest and other obligations, including an exchange fund. Other Ministries are expected to seek new credits amounting to Yen 200,000,000. As the ordinary Budget for next fiscal year will be in the neighborhood of Yen 1,710,000,000, or Yen 30,000,000 more than in the current year, the total budget will reach Yen 2,900,000,000, or the highest figure in the history of Japan. The Finance Ministry will seek to pare down the total figure to Yen 2,200,000,000, in view of Mr. Takahashi's professed desire to reduce the issuance of "red ink bonds" and to place the country's financial structure on a sound basis.

Prospects for Smaller Japanese Budget Are Stated to Be Slim

The consensus of informed opinion in Tokyo holds that Korekiyo Takahashi, the 81-year old head of the Exchequer, will lose his fight with the national defense ministries for a smaller budget in 1936-37, in view of the grave international situation. An extremely serious view of the combat between Mr- Takahashi and the Ministries of War and Navy is taken by other members of the Cabinet. Meantime, Mr. Takahashi was reported to be adamant in his decision to keep the budget for the next fiscal year within Yen 2,200,000,000.

Munition "Mobilization"—Sasebo Naval Authorities Give Rush Orders

A munitions industry mobilisation is now being coducted by the Sasebo Naval Station and the Sasebo Arsenal in the northern part of Kyushu, The object of this exercise is to test, it is said, whether Kyushu factories are in a position to manufacture at short notice the munitions and war supplies which, at present, the Sasebo Naval authorities order principally from the Osaka-Kobe district. It is expected, therefore, that if the present test proves satisfacrory, future Sasebo orders will be placed with Kyushu industrialists, instead of Osaka-Kobe factories.

Half-Fed Japanese School Children—Six Sen Meals for 13,410 Pupils

The prefectural committee for the supply of food to poor school children met at the Hyogo Prefectural First Girls' High School July 2 to exchange views and receive reports from committeemen who have inspected conditions in other prefectures. During the first half of last year, 13,410 children at 546 primary schools out of a total of 621 in Hyogo prefecture were given food, involving a total expenditure of Yen 46,751. Meals averaged six sen each. Recipients in the city of Kobe totalled 1,052; those in Himeji 88; those in Amagasaki 48; those of Akashi 105 and those of Nishinomiya 96.

Prison Sentences Imposed on Too Enthusiastic Patriots

Final sentence was imposed in Tokyo, July 8 on Fuji Yoshio and Daihachi Kikuchi, Japanese members of an organization called the National People's Party, who attempted to force their way into the home of Baron Ikki, president of the Privy Council, on March 24. Yoshio was sentenced to eighteen months' imprisonment and Kikuchi received fourteen months in jail. The men brandished a sword and alleged that Baron Ikki had not been sufficiently active against Prof. T. Minobe's theory of the State and Emperor, but Baron Ikki was unhurt.

Premier Okada is said to be considering an official declaration clarifying the Government's stand on the Minobe theory which asserts that the Emperor is not the State but merely one of its organs.

The step is reported being taken in view of continued strong pressure exerted by the military branches of the Government, various patriotic and ex-soldiers' organizations and Seiyukai members of the Lower Chamber. The Government declaration is expected to be issued as soon as the Tokyo District Court Procurators' Office decides whether or not to take judicial action against Dr. Minobe.

To Prosecute or Not to Prosecute Dr. Minobe?

Dr. Minobe, a member of the House of Peers and lecturer on the Constitution in a number of universities, was obliged to resign from his chairs in the Tokyo University of Commerce, a state institution, and the private Waseda and Chuo Universities after his written works were banned by the Home Office.

Japan to Raise Own Sheep

Japan will have 700,000 wool-bearing sheep in 15 years, if the Ministry of Finance provides funds for the plans announced in Tokyo July 4 by the Ministry of Agriculture and Forestry. At present, the Japanese Government spends only Yen 150,000 for the distribution of 800 sheep among farmers who desire to raise them. Of this number 500 sheep are imported, and the other 300 come from the Government's stockyards. The Ministry plans to expend Yen 1,000,000 annually to make the nation self-sufficient in wool.

Japan to Have Combined Railway-Air Service

Combined railway and air transportation on the same ticket will soon be possible in Japan and also between Japan and Manchukuo under the terms of an agreement now being negotiated between the Ministry of Railways and the Japan Air Transport Company. The arrangements will enable passengers travelling between the two countries and in Japan to fly part of the way.

Japan Seeks Visa for Official Despite Russian Refusal

Tamekichi Ohta, Japanese Ambassador in Moscow, July 5 was again directed to approach the central Soviet authorities to secure a visa for Ikuta Yasuki, chancellor of the Japanese Consulate-General in Vladivostok, who has been ordered to proceed along the eastern coast of the Maritime Provinces to investigate fishery conditions. These instructions were sent to the envoy, despite the receipt of a report from Mr. Ohta in which he said the Moscow authorities were upholding the attitude of the Soviet Embassy in Tokyo, which has refused to grant the visa. Tokyo Foreign Office officials assert that it is imperative that Mr. Yasuki visit the fishing areas where many Japanese vessels are operating. There is also a need for him to establish direct contacts with Soviet officials along the coast where these ships work, the Foreign Ministry officials said.

Japanese Cotton Goods Exports Show Huge Increase, But Not As Great as Was Expected

The Japan Cotton Cloth Exporters' Guild returns for the first half of the year 1935 show that 1,364,001,387 square yards of cotton goods valued at Yen 254,941,840, were shipped abroad from January 1 to June 30. This represents an increase of 120,411,380 square yards and an advance in value of Yen 22,644,914 in comparison with the corresponding period last year. From these tabulations, Guild officials expect that the total exports for the year will total about 2,780,000,000 square yards, or 200,000,000 more than last year. This, they said, will however only be half of what the trade grew during 1934, when it topped the 1933 total by 500,000,000 square yards.

The unexpectedly limited absorbing capacities of newly acquired markets in Central and South America, Africa and the Near East, coupled with restrictions against Japanese goods in the Netherlands East Indies and India, were blamed for not making the rate of increase as high as it was in the same period last year.

Osaka Willing to Consider Cotton Export Restriction

Japanese textile manufacturers, following a conference at Osaka, informed the Japanese Consul-General in the Philippine Islands that they were willing to give friendly consideration to a proposal looking to restrictions on cotton exports to the Philippines on the basis of 1934 figures. Last year's figures show that Japan exported 66,000,000 metres and America, 43,000,000 metres. The Japanese, however, announced themselves as being unwilling to accept the suggestions of a group of American textile manufacturers that the Philippine market should be divided on a 50-50 basis.

It is understood that such a restriction represents a definite concession on the part of the Japanese because, in the first six months of 1934, Japanese exports to the United States increased by 31 per cent over the previous corresponding period. Most Osaka manufacturers are convinced that Philippine trade favors Japanese goods because of the nearness of the market and the cheap prices. Therefore, they do not believe the Philippine Islands will increase the tariff rates. It was pointed out, however, that Japanese interests have not ordered restriction but have merely showed a willingness to discuss such an arrangement.

Japan Officials Confer as N.E.I. Bans Porcelain Imports

Officials of the Ministries of Commerce and Industry and of Foreign Affairs went into a hurried conference July 9 following the receipt of news in Tokyo that the Netherlands East Indian Government had promulgated an act restricting the importation of Japanese chinaware.

Tokyo Says Direct Investment in North China Unlikely

Direct Japanese investments in North China were held very unlikely July 5 by financial circles in Tokyo in view of the allegedly uncertain political situation. If economic aid is extended to North China, these circles declared, it will have to be undertaken either by a locally organized concern or through extension of the existing facilities of the South Manchuria Railway Company.

However, financial observers believe the S.M.R. will have to be drastically reorganized, as its present structure is both unsuitable and inadequate to cope with the task of assisting in the economic development of North China.

Suggestions on economic co-operation in North China have already been exchanged by the Japanese and the Central Government, according to financial circles.

As soon as definite plans are formulated, these circles believe direct negotiations for the establishment of a concern charged with the economic development of North China will begin between Tokyo and Nanking.

Kanegafuchi Mills to Pay 25 Per Cent Dividend

A 25 per cent dividend will again be paid by the Kanegafuchi Cotton Spinning Company for the current term, subject to the approval of the shareholders' Tokyo meeting, scheduled for July 23. The company, capitalized at Yen 60,000,000, made a profit of Yen 8,720,494 during the period.

Inside Details of the Proposed Japanese News Agency Amalgamation

The Teito *Nichi Nichi* gives the following inside details on the Japanese news agency amalgamation scheme:—

"*Rengo*, always under the patronage of the Foreign Office, supports as its policy the so-called co-operation diplomacy in news reporting. The Army, whose policy differed from that of the Foreign Office at the time the Japanese Legation in China was raised to an Embassy, would have gladly accepted the establishment of a strong new national news agency as proposed by Mr. Shiratori at the time the Foreign Office was following the policy of the Army, but the new news agency plan now drafted represents a radical departure from the original idea.

"*Rengo* now gets Yen 500,000 to Yen 600,000 as a subsidy from the Foreign Office, but this is insufficient for keeping *Rengo* in sound finance. *Rengo* has Yen 400,000 debts to the Communications Ministry in the form of payments in arrears for telephone charges. If the authorities are unable to collect the payments in arrears, there will arise the question of responsibility. *Rengo* somehow must be induced to stand on its feet financially. Hence, the idea of the Communications Ministry offering capital for the establishment of a news agency with its monopolistic use of the wireless service. The Army would support amalgation of the two news agencies into a strong unit but the *Nippon Dempo* and many local newspapers are offering stout opposition to it.

"One trouble with the news agency reorganization plan is the undeniable fact that the military authorities are opposed to the plan. *Rengo*, whose staff would constitute the nucleus of the proposed national news agency, is under the influence of the Foreign Office and holds an idea very far from the Japanese spirit upheld by the Army and Navy.

"Especially when the dual diplomacy trouble between the Foreign Office and the military authorities has not been completely removed, military support of the new news agency plan is unthinkable. Well-informed circles say that the Communications Ministry will not be able to force amalgamation of *Rengo* and *Nippon Dempo*, the latter offering stout opposition to the idea of amalgamation. Control is now in vogue, and control of news goes by the honorable name of State policy. It sounds very feasible to the ears of the uninitiated that if a strong news agency is formed and news on Japan is broadcast to foreign countries, it will be good propaganda for Japan. But in international news communication when the authority of the State is placed behind news, other countries cease to take interest in news from this source. The world dislikes news from the *D.N.B.* of German Nazis, just as that of the Soviet *Tass* is excluded in many countries of the world. The world is not so good-natured as to accept the broadcast news of an official organ at face value. Only news of earthquakes, fires and other matters having little or no national interests will be accepted and printed.

"Control of news by the State unnecessarily arouses the doubt and suspicion of other countries. The result would be to close outlets of news. Another result would be that the countries dissatisfied with such official news would dispatch more correspondents to Japan. Even now virtually all the news of Japan printed in American and European journals are cables sent out by their special correspondents in Japan. Because about 30 foreign correspondents are here in Japan, is it not impossible to control outgoing news unless these correspondents' cables are controlled? Will it not be impossible to attain the real object even if control of outgoing news is insisted on? It is not possible that the government officials uninitiated in the news distribution situation have been deceived by the beautiful name of State control? In conclusion, let it be stated that freedom of speech is essential to social life and that official control of it should be averted."

Party of 120 Japanese Leaves Tokyo to Exploit Huge Gold-Deposits in North Manchuria

To begin preparations for tapping the allegedly fabulous golden wealth of the Great Hsingan Mountains in northwest Manchukuo, a party of 120 young engineers and workmen left Tokyo June 29.

Led by Sosuke Kadowaki, managing director of the new North Manchuria Gold Mining Company, Ltd., the party will begin mining operations in the vicintiy of the River Mo, where Mr. Kadowaki recently discovered a vein of gold estimated to be worth Yen 5,000,000,000.

The presence of rich gold deposits in the mountains had been known to tradition since the Mongol dynasty of the Yuan era, but persistent searches by three nations had failed to locate them until Mr. Kadowaki and two companions went into the area in the dead of winter four months after the outbreak of the Manchurian incident. They spent three years there, enduring bitter hardships, but when they came out they bore the secret of untold riches, the *Nichi Nichi* recently related.

The area in which mining operations will be begun extends about 125 miles from east to west and about 175 miles north and south. At Miaopeikou, Laokou and Chsingkou preparations have been made for the start of work as soon as Mr. Kadowaki arrives with his party and three boring machines. These machines cost Yen 400,000 and were first of their kind to be manufactured in Japan. They were turned out by the Sansen Industry Company. Similar American machines cost Yen 1,200,000.

Eventually 100 such machines will be sent to the mining area, the promoters plan, each machine capable of extracting Yen 1,500,000 worth of gold a year. It is estimated that the amount of gold that can be taken from one tsubo of land ranges from Yen 20 to Yen 170, compared with the Yen 6 per tsubo for the best gold mines in Korea. A British engineer computed the value of the Hsingan Mountain deposits at Yen 700,000,000, but a Finnish engineer and engineers of the Kwantung army placed the figure at Yen 5,000,000,000 or more.

With the permission of the Manchukuo Government and the Kwantung army, the North Manchuria Gold Mining Company was formed with Naoto Kobinata, former director of the South Manchuria Railway, as president and Mr. Kadowaki as managing director. With initial paid up capital of Yen 2,000,000, the enterprise is supported by the Kwantung army, the Manchukuo Government, the Oriental Development Company and the South Manchuria Railway Company.

Four months after the outbreak of the Manchurian incident, Mr. Kadowaki, leader of the Shintohoshidan, an organization of young men, together with two companions, disguised themselves as Manchurian farmers and set out on horseback from Hailar in 40 below-zero weather. For three weeks they toiled through the Great Hsingan passes, fired upon by remnants of the armies of Generals Ma Chan-shan and Su Ping-wen. At last they reached the Mo River area and set to work with inadequate hand tools. It took them three years, but they found the gold.

Isogai Says Unless China Awakens She Will Be Ruined

The *Nippon Dempo* correspondent at Shanghai July 3 wired:—"Chang Chun, chairman of Hupeh Province, and Chen I, chairman of Fukien Province, who had exchanged important views with the Nanking leaders regarding measures to be taken toward Japan, called on Major-General Rensuke Isogai, military attache to the Japanese Embassy. Major-General Isogai told the visitors that Japan wants China to awaken fundamentally and unless China does so, China will have to be ruined in the end, adding:—"It is to be hoped that you leaders of the Nanking Government will turn your eyes to the border aspects of the situation, accept Japan's recommendations and endeavor to have things bear fruit."

Manila Plans to Raise Duties on Beer and Cider

Huge increases in the customs duties on the import of beer and cider are provided in a bill introduced this week in the Philippine Legislature. The bill proposes to increase the present duty on foreign beer from $4 per 100 litres to $20, if the liquid is in two-litre containers. For all other beer the duty is to be raised from $5.50 to $24 per 100 liters.

The levies on imported cider are to be raised from $4 to $20 under the terms of the bill, while the duty on mineral waters and non-alcoholic drinks will be raised from $1.50 to $2.50, the report added.

Japan Maps Out Second Stage of Policy Towards China; Government Troops Gain Further Success Against Reds

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Japan Makes Elaborate Plans for Effective Control of North China.**
2. **Doihara Recommends Establishment of Economic Development Company in North China.**
3. **Takahashi Officially Admits Japanese Ronins Took Part in Attack on Peiping.**
4. **Kwantung Army Treatens Drastic Measures Against Non-withdrawal of Chahar Troops.**
5. **New Hopei Provincial Government Officials Take Over Duties at Paoting.**
6. **Mayor Yuan Liang Denies Intention to Resign from Peiping Post.**
7. **Peiping Political Council Will Not Be Abolished, Says Wang Keh-min.**
8. **Ambassador Chiang Tso-pin Arrives in Shanghai, Denying Rumors of Resignation.**
9. **Agreement Allegedly Reached Between China and Great Britain on Tibet.**
10. **Government Troops Gain Further Successes Against Communists.**
11. **Two Canton Rebel Cruisers Sail From Hongkong for North.**
12. **Reported Changes in Kwangtung Regime Officially Denied.**

The Japanese Government is hurriedly elaborating concrete measures for the second stage of its policy towards China which will follow the settlement of the North China situation, reported *Shanghai Mainichi* on July 8. As a result of a conference between the Foreign Affairs and War Offices at Tokyo, the following are included as important factors in the new policy:

After the North China and Hsin Sen Weekly incidents, the Chinese people and the Chinese authorities realize that the Japanese are firm in their demands that all anti-Japanese activities be discontinued throughout China. Further definite work in this connection should be carried on at present so that there may be concrete cooperation between the two countries. The Japaese desire that the Nanking Government replace its present passive attitude towards the Japanese demands, with one of active cooperation.

In order that there may be sound development in Manchukuo, the Japanese Government demands that the Chinese authorities recognize the new situation in North China and realize that they should have the whole-hearted cooperation of Japan and Manchukuo in carrying out their political, economic, cultural and social activities in North China.

As a result of discussion by the Departments of Trade and East Asia of the Tokyo Foreign Office, the following concrete measures for cooperation between China and Japan were decided upon, according to *Shanghai Mainichi* July 9.

(1) In reference to the North China situation, special significance should be attached to the Sino-Manchurian relations. The Chinese authorities should recognize that North China is a 'special area,' and full cooperation between China, Manchukuo and Japan should be sought to develop the region.

(2) Organizations should be created jointly by Japan, Manchukuo and China for the development of mines, communications and trade and cotton cultivation in north China.

Economic cooperation between China, Japan and Manchukuo will be carried out in the near future, following the settlement of the Hopei and Chahar incidents. According to *Shanghai Mainichi*, the Japanese plan for this economic cooperation includes:

(1) Concentration of Chinese, Japanese and Manchukuo capital for the organization of a number of companies to develop industry, commerce and mining in North China.

(2) Old Sino-Japanese companies will be reorganized to conform with the new principles.

(3) Opening of mines, development of communications and cultivation of cotton will be the few projects to be carried out immediately.

(4) The opening of coal mines will be considered as the most important project of the mining industry. The Shantung Coal Mining Company will take full charge of the industry.

(5) Special attention will be paid to the development of communication. The Eastern Travel Service will be expanded and communication development will be pushed in Chahar and Shansi provinces.

(6) Development of trade between North China, Mongolia and Manchuria and the development of Tientsin into a trading center in the north.

(7) Development of cotton cultivation by the South Manchuria Railway Company in Shantung to supply cotton to all Japanese cotton industries.

DOIHARA RECOMMENDS ESTABLISHMENT OF DEVELOPMENT COMPANY IN NORTH CHINA

The establishment of a Japan-Manchukuo concern to aid in the economic development of North China was recommended by Major-General Kenji Doihara, Director of the Special Service Division in Mukden, who had just returned to Changchun from Peiping, at a conference of high staff officers of the Kwantung Army July 4, according to a *Rengo* report. Major-General Doihara also urged cooperation between China, Japan and Manchukuo in view of the asserted financial exhaustion of North China. He told the Kwantung officials that the Chinese troops in Chahar will be withdrawn from the demilitarized zone, newly-established along the frontier between Chahar and Jehol, by July 10. The zone includes Kuyuan, Tushihkou, Chicheng, Changping and Yenching.

In a press interview after the conference Majro-General Doihara declared that tranquility reigned in North China, following the eradication of "undesirable organizations, secret societies." Elements friendly to Japan have come to power in North China, the Japanese officer continued, thus advancing the cause of rapprochement between China, and Manchukuo. Similar tranquility could prevail throughout China, if the Nanking Government would only change its mistaken attitude towards Japan to a friendly policy, Major-General Doihara emphasized.

Wang Keh-min, acting Chairman of the Peiping Branch Political Affairs Readjustment Committee, and the other newly-appointed officials in North China have not been granted sufficient authority by the Nanking Government, the Kwantung Army officer declared. This, however, he remarked, did not "mean much" because the situation now is such that "with the changed environment all issues will be settled with the passage of time."

Japan, he stressed, is ready to co-operate fully with the new administration in China, irrespective of the scope of these officials' power.

Major-Gen. Doihara denied the report that the Japanese Army in North China was approached by the Chinese officials with a request for advisers.

"However, if the new Chinese administration expects to make progress, it should rely upon Japanese assistance," he remarked.

"The necessity for for military, administrative and other advisers is natural, if only to achieve real co-operation and understanding between the two countries," he went on.

At present, the Japanese officer said, there is only one "unofficial" Japanese adviser in Chahar and none in North China.

In reply to the question of "Has Japan brought up proposals for Sino-Japanese economic co-operation in North China?" Wang Keh-min, acting chairman of the Peiping Political Readjustment Committee, said he was unaware of any such proposals, in an interview with *Central News* July 6.

Acting as harbingers of the increased Japanese participation in the economic development of North China, two high officials of the South Manchuria Railway Company left Dairen for Tientsin July 5, according to *Rengo*. The two men were Haruichi Utsumi, director of the East Asia Affairs Department of the S.M.R., and Tokio Nonaka, staff member of the Sixth section of the company's department of Economic Statistics. They are to remain in North China for about two weeks, during which they will reportedly make arrangements with authorities regarding a comprehensive economic survey planned by the company.

A group of 7 Japanese economic investigators, representing the South Manchurian Railway Company, Dairen commercial interests, and Japanese industrialists arrived here on board the s.s. *Tientsin Maru* on July 7. The delegation will investigate financial, commercial, textile manufacturing, agricultural, and mining conditions in Peiping, Tientsin, Chahar, Hopei, and Suiyuan. These investigators will also study the improvement of communications in these districts.

A Mongolian Trading Company is being organized by the Japanese for the development of Japanese trade with Mongolia. The company, which will be capitalized at $100,000 and will be formally inaugurated in the middle of July.

The company will conduct the following business:

(1) Purchase of Mongolian fur, leather and salt, (2) sale of Japanese daily necessities to the Mongolians, (3) establishment of consumers' co-operative societies.

A number of special experts have been sent from Dolonor to Mongolia for investigation purposes. Roads will be built to connect Dolonor and the Mongolian cities to facilitate trade development.

JAPANESE-MANCHUKUO ECONOMIC COUNCIL FORMED

Rengo reported from Tokyo on July 3 that the Privy Council approved the treaty providing for the formation of a Japan-Manchukuo Joint Economci Council, designed to strengthen the economic ties binding the two countries.

The agreement is drawn along the following lines:

1.—The seat of the Council will be in Changchun.

2.—The Council will be charged with the task of discussing matters relating to economic co-operation between the two countries, and also matters connected with special joint Japan-Manchukuo concerns.

3.—The Japanese and Manchukuo Government will each select four representatives to form a committee, and the Chairman of the body is to be elected by ballot.

4.—The Council, which will be designed purely for discussion, will be placed under the joint control of the two Governments, and will be asked to discuss and pass opinions on proposals advanced by Changchun and Tokyo.

5.—The Japanese members of the Council will include the Chief of Staff of the Kwantung Army, the Councillor of the Japanese Embassy in Changchun, the Director of the Kwantung Leased Territory Affairs section of the Embassy and an official of the Manchurian Affairs Bureau.

Peiping and Tientsin are now in direct telephone communication with the cities of Manchukuo, following the formal inauguration of the service on July 1.

The two North China cities are linked with Manchukuo under the terms of an agreement signed on June 27, by representatives of the Manchukuo Telephone and Telegraph Company, the Peiping-Liaoning Railway Bureau, the Tientsin Telegraph Bureau and the Peiping Telephone Bureau at Peitaiho. The meeting was attended by Colonel Seiya Giga, representative of the Kwantung Army's Special Service Division in Shanhaikwan.

The document, the text of which was made public by the Kwantung Army Headquarters, on July 4 provides for through telephone service between Peiping and Tientsin in North China and Mukden, Dairen, Yingkow and Chinchow. The service will later be extended to Changchun and Harbin.

SOUTH MANCHURIAN RAILWAY TO BE REORGANIZED

As the result of the last visit of Major-Gen. Doihara to Peiping and Tientsin, an agreement was reported to have been reached between the Japanese and Chinese authorities in regard to the industrial and commercial development of North China, according to *Shanghai Mainichi*. Negotiations are being conducted with the Chinese authorities for the creation of a new organization for the development of industry in North China. According to the views of the Military circles, the South Manchurian Railway should be reorganized so as to facilitate and direct the economic development of North China. Concrete measures in this connection are being elaborated.

JAPANESE EXPORTS TO CHINA GREATLY INCREASED

Japanese imports into Shanghai were greatly increased during the first half of 1935, according to *Shanghai Mainichi*. Up to June 30, import of Japanese goods amounted 187,000 tons, as against 128,000 tons for the corresponding period in 1934. Among the Japanese imports, sugar was the most important item, amounting to 12,800 tons, as against 8,911 tons in the corresponding period of 1934. Chinese exports to Japan amounted to 149,951 tons for the first half of the year, as against 211,431 tons for the corresponding period in 1935.

COL. TAKAHASHI OFFICIALLY ADMITS JAPANESE RONINS ATTACKED PEIPING

That Japanese ronins participated in the attempted attack on Peiping in the night of June 28 was admitted on July 5 by Colonel Takahashi, assistant military attache, during an interview with foreign correspondents. He stated that they had now been deported to Japan, but declared he did not know how many were involved.

Neither the Japanese Army nor Japanese diplomats, he asserted, were aware at the time that Japanese were involved in the disturbance, but the Japanese Army had now issued a warning threatening severe punishment to any Japanese acting in a similar manner in future.

Pei Chien-wu, a former subordinate of Marshal Wu Pei-fu, now wanted for his leadership in the recent attack on Peiping, arrived in Dairen July 4, according to reports received at Peiping . Following the collapse of his insurgent movement aimed at the military control of Peiping, Pei fled to Tientsin. It is said that he has been placed under surveillance following his arrival in Dairen. For his arrest, a reward of $20,000 has been offered by the Peiping authorities. For his death, the reward is $10,000.

The police and military are still actively pursuing the scattered remnants of the rebels who staged the abortive attempt to capture the city on June 28.

Eight more planclothes men, suspected of participation in the revolt, were arrested in the neighborhood of Tungchow in the night of July 2. They were escorted to Peiping in the afternoon of the following day and are now undergoing examination at the headquarters of the Peiping garrison.

The latest batch of prisoners bring the total number of arrests to 117. It is learned that five executions have already taken place, although the authorities are releasing no news in this connection.

It is reported that four men were executed at the garrison headquarters on July 3 and that at dawn on July 2, Chia Yen, one of the officers aboard the armored train which bombarded Peiping, was executed. Reports are also current that Tuan Chun-chih, commander of the armored train, was executed on July 2, but this has been officially denied to *Reuter* by a high official of the Military Council.

Reuter learned that the 116 rebels captured since June 28 were shipped early in the morning of July 4 by train for an undisclosed destination South. It is variously reported that they were being sent to Hankow, Nanking and Paotingfu, the new seat of the Hopei provincial government.

PEIPING POLICE DEFEAT BANDITS MENACING CITY

As the result of operations carried out by police and the local militia, a band of bandits which suddenly appeared in the vicinity of the Ming Tombs fled outside of the Great Wall into Yenching, according to the secretary of Yin Yu-keng, the Administrative Inspector for the Miyun-Chihsien area, who informed *Reuter* on July 7 that the bandits numbered about 200.

The activities of the bandits failed to perturb the inhabitants of Peiping. The outlaws, who are stated to be former followers of the notorious bandit chief, Liu Kwei-tang, make periodic raids from their mountain fastnesses in the demilitarised zone on outlying districts near Peiping.

The troops and militia were despatched to suppress the outlaws following the receipt of information by the local authorities that the bandits, variously estimated from 200 to 800, had appeared in the vicinity of the Ming Tombs, 20 miles from the city.

With the exception of 1,000 cavalry, all of the Japanese troops west of Shanhaikwan have been withdrawn, according to Yuan Tai, Magistrate of Shanhaikwan. Mr. Yuan added that the situation at Shanhaikwan is quiet and that the troops withdrawn represented the reinforcements despatched there during the recent crisis in Hopei. They were formerly stationed at Shihmenshuai and other passes west of Shanhaikwan.

KWANTUNG ARMY THREATENS DRASTIC MEASURES AGAINST NON-EVACUATION OF CHAHAR TROOPS

The alleged failure of the 29th Army, under command of General Sung Cheh-yuan, former Governor of Chahar, to evacuate the Chahar border area inside the outer wall south of Tushikow, has aroused the wrath of the Japanese military authorities. *Reuter* learned that the Kwantung Army has decided to demand the evacuation of the 29 Army by July 10. Otherwise drastic measures will be taken.

Eight "Manchukuo" policemen in charge of the Hsi-touchentsu branch police station north of Kuyuen on the Great Wall were killed and the station ransacked and later burned in an attack by about 100 armed men said to be Chinese soldiers from Chahar, according to a *Rengo* report July 6.

The assault took place at 2 a.m. July 3. The branch station was completely surrounded and subjected to a withering rifle fire. Hand grenades were also used by the attackers.

Lieut. Wu Shih-ying, in charge of the post, was found dead, his body half cremated in the smoldering ruins of the post. He had been shot through the abdomen. Another body found was identified as that of Liu Wen-wu, a police sergeant. He was suffering from a fatal wound apparently inflicted by a hand grenade.

All documents, fittings and money in the station were removed by the marauders who also took with them five ponies from the station stables, the report said.

One hundred "Manchukuo" police, led by two Japanese instructors, have been rushed to Hsitouchentsu from Hsiaochan.

NEW HOPEI OFFICIALS TAKE OVER DUTIES AT PAOTING

General Shang Cheng, the new Chairman of the Hopei Provincial Government, and the various members and department commissioners of the Provincial Government were formally inaugurated in their respective offices at 9 a.m. July 8 at Paoting.

Hu Hsiang-ning representing the National Government administered the oath of office to the new officials. Mr. Hu in the course of a speech expressed the confidence that with their ability and long experience in administrative affairs, General Shang and his colleagues will be able to bring about administrative reforms and lighten the burden of the people internally and to promoto friendly relations with the foreign residents of the various countries in the province externally.

Following Mr. Hu's speech, General Shang Cheng addressed his colleagues and officials of the Provincial Government. After expressing his thanks for the words spoken by Mr. Hu in his praise, General Shang said that as he and his colleagues had just assumed their duties, they had not had time to map out any plan for administrative reform, but for the time being, they could only faithfully and energretically carry out the orders of the Central Government in the work of rural rehabilitation and the pacification of the province in view of the present situation.

Chang Hou-yuan, the retired acting Chairman of the Provincial Government, who was also present at the inauguration ceremony, personally handed over the seal of office to General Shang.

General Hsiao Cheng-yin, member of the Chahar Provincial Government, in a press interview at Peiping July 4, stated that the central authorities had decided to appoint Gen. Sung Chi-yuan to a new post and official announcement of the appointment was expected to be made in the near future. General Hsiao after seeing Gen. Sung at Tientsin left Peiping on July 10 for Hankow en route to Szechuan to see General Chiang Kai-shek and report on the situation in Chahar.

General Hsiao stated that the Chahar authorities had fulfilled on their part all the terms of the settlement of the Chahar affair and that the Japanese troops in eastern Chahar were also being withdrawn.

YUAN LIANG DENIES INTENTION TO RESIGN FROM PEIPING POST

In an interview with Chinese pressmen, Col. Yuan Liang, the Mayor of Peiping, emphatically denied current rumors that he had decided to tender his resignation to the government. He declared that there was absolutely no truth in these reports. Mayor Yuan said that he had drawn up a plan calling for the expenditure of $150,000 for free elementary schools during the current fiscal year. Of this amount, $80,000 will be raised by the municipality. The Mayor added that he had telegraphed to the Ministry of Education, requesting that it provide the balance. Thus far, however, the Ministry had agreed to provide $40,000, and he was going to send another message requesting that the remaining $30,000 be allotted.

The Mayor also stated that preparations were being made by the municipal administration for the opening of a bureau for the suppression of opium smoking. This bureau, he declared, would be under the direction of General Chiang Kai-shek.

PEIPING COUNCIL WILL NOT BE ABOLISHED, WANG DECLARES

In a press interview on July 6, Wang Keh-min, acting chairman of the Peiping Political Readjustment Committee, gave the following answers on the situation in North China:

Q. Is it true that the Peiping Political Readjustment Council will shortly be abolished?

A. It's not true.

Q. What will be General Sung Cheh-yuan's new appointment?

A. The matter is still under the consideration of the Central Government.

Q. When will the Hopei provincial government be removed to Peiping from Paoting?

A. There was such a plan several weeks ago to remove the Hopei provincial government to Peiping from Paoting, but the matter has been dropped.

With regard to Mayor Yuan Liang, who had tendered his resignation, Mr. Wang said that the Mayor has been asked by the central authorities to carry on as usual despite difficulties.

GEN. HO YING-CHIN IS URGED TO RETURN TO PEIPING

General Chiang Kai-shek on July 8 telegraphed the Peiping Branch Military Council urging that the Council send a message to General Ho Ying-chin, Minister of War and concurrently Acting Chairman of the Peiping Branch Military Council, asking him to hasten his return to Peiping. The Council dispatched another telegram on July 9 to General Ho, who is now in Nanking.

CHIANG TSO-PIN DENIES RUMORS OF RESIGNATION

Interview at Kobe on July 7 while en route to China Gen. Chiang Tso-pin, Chinese ambassador to Japan, professed complete ignorance of his reported intention to resign.

"I have heard it has been reported that I plan to resign. I don't know anything about that. My intention is to return

to Japan in October," he told reporters aboard the Dollar liner President Grant.

The chief purpose of his visit China, Gen. Chiang said, was to report to his government on the views held by Japanese authorities regarding Sino-Japanese relations.

"I naturally intend to promote better understanding between our two countries, because, after all, that is my task," Gen. Chiang continued.

"I can see no objection to the establishment of a special economic set-up in North China for an economic rapprochement between Japan and China provided, of course, that it is legally achieved and its existence is logical," Gen. Chiang stated.

Accompanied by his wife, two sons and a second-class secreture, the newly-appointed Chinese Ambassador to Japan, General Chiang Tso-ping arrived in Shanghai on July 9 on the *President Grant*.

Interviewed, General Chiang stated that he had asked for a leave of absence since he had been absent from his country for two years. His leave absence, he said, was necessitated by the fact that he wanted to make a report to his government regarding his work. At the same time he must acquaint himself with domestic conditions. He would stay in China for a month before going back to Tokyo, General Chiang said.

KUOMINTANG OFFICE IN AMOY ABOLISHED

Because of the special circumstances which have been created lately in Amoy, the Fukien Provincial Government has been instructed to close the Kuomintang Headquarters in that city. An office of special representative of the Party will be established in its place to take charge of the activities of the party.

The report that the Japanese Embassy in Peiping would soon move to Nanking is untrue, according to a spokesman of the Japanese Embassy. The spokesman, however, admitted that the Shanghai Office of the Japanese ambassador will soon be moved to the Capital.

PUPPET ENVOY TO TOKYO PRESENTS CREDENTIALS

Hsieh Chieh-shih, "Manchukuo's" first ambassador to Japan, presented his credentials to the Japanese emperor on July 4, according to a *Rengo* report.

AGREEMENT BETWEEN CHINA AND BRITAIN ON THIBET

The *Shanghai Mainichi* reported on July 6 that the following Sino-British agreement in connection with the situation of Thibet is reported to have beeen reached as the result of prolongeed negotiations between Sir Alexander Cadogan and the Nanking officials:

(1) That the Panchen Lama be instructed to return to Thibet and that all political and military powers be transferred to the new leader.

(2) That Great Britain shall refrain from giving further political as well as military support to Thibet.

(3) That the National Government of China shall discontinue her programme of road construction from Sikong and Tsinghai to Thibet.

(4) That the National Government shall discontinue her plan for the construction of radio communications as well as telegraph and telephone installations.

(5) That upon a special agreement between the British and Eurasian Aviation Company, an air line shall be opened by the British Government between Lhassa (Thibet) and Kashgar (Sinkiang)

GOVERNMENT TROOPS GAIN FURTHER SUCCESSES AGAINST COMMUNITS

Several successes against the Communists infesting Szechuan were recorded in official dispatches receivd at the Chengtu Headquarters on July 5.

General Yang Sen reports that two regiments of Government troops drove the Reds out of Tayaotsi on July 1 and occupied the town. The defeated forces were pursued northwards as far as Toutachiao. On the same day, another brigade of Government troops occupied Yenchingping.

Meanwhile the chief-of-staff of the 1st Division reports that the Reds under Hsu Hsiang-chien attacked the Government forces at Hsuehku and Chaikou, east of Pingyipao, on the night of July 2. Fierce fighting lasting all night ensued, but eventually the Government troops drove back the attackers. There were heavy casualties on both sides.

Government troops engaged in the anti-Red campaign are making considerable headway, according to despatches received at Chengtu from the various fronts July 6.

Since the Reds under Hsu Hsiang-chien and Chu Teh joined forces, the Government troops have been pressing from the north, south, and east, shortening the line held by the Communists and forcing them to retreat west of the Mowkung area towards an impassible and mountainous region. Owing to the low ceiling, Government bombers have been unable to fly during the last two days.

The 2nd Route Army under Lieut.-General Sun Chen attached to the Szechuan Bandit-Suppression Forces, since capturing the stratepic city of Peichwan. north-western Szechuan, has also occupied the mountain near Peichwan and wiped out the outlaws on the southern bank of the Peichwan River.

NANKING SEEKS TO BRING SZECHUAN EDUCATION STANDARDS UP TO HIGHER LEVEL

With a view to bringing the educational standard in West China to the same level as that in the more advanced provinces, a partial reorganization of the institutions of higher learning in Szechuan province has been decided upon by the Ministry of Education at Nanking.

According to the instructions sent to the Szechuan Department of Education, a college of agiculture will be added to the National University of Szechuan while its four schools of natural science, education, and of political science, economics, are to be combined into two schools. Its school of liberal arts is to be maintained in its old status.

The University of Chungking is to be changed to a provincial institution, and that its schools of liberal arts, and agriculture, are to be abolished. The University is to establish two new schools, namely natural science and technology, with its original departments of mathematics and natural science to be incorporated into the new school of natural science. The school of technology is to have three departments, namely civil, metallurgical and electrical engineering. As soon as funds are available, the instruction adds, the University is to establish a school of medicine.

SEVERE PUNISHMENT MAY BE IMPOSED ON COMMUNIST JOURNALIST

Formal judicial proceedings have been instituted by the procurator of the Hupeh Provincial High Court against Yuan Shu, communist suspect, who was arrested at Shanghai two months ago in connection with the apprehension of the mysterious Joseph Walden, unidentified foreigner, by the Shanghai International Settlement police.

Yuan is charged with propagation of doctrines contrary to the "Three People's Principles," or *San Min Chu Yi*. The prosecution demands his punishment in accordance with Article 6 of the emergency law governing punishment for crimes endangering the Republic.

In the indictment filed with the Hupeh Provincial High Court, the procurator states that Yuan Shu, alias Yuan Hsueh-yi or Yuan Hsiao-yi, is 25 years of age, a resident of Shanghai, and editor of the *China in Foreign Eyes Press*.

Yuan is stated to be a man of some education, but his financial position has been somewhat precarious. He earned a living, however, through contributions to periodicals, and gradually came into contact with certain anarchists. He then participated in a "Black Youth" movement, and gradually inclined to "Left."

In the winter of 1931, greatly moved by the foreign invasion (the Manchurian incident), Yuan redoubled his efforts for the organization of the left cultural movement, openly declaring himself in favor of communism. As his influence grew, he became a confirmed communist and assumed the chief editorship of the Chinese section of the *China Forum*, a weekly edited by Harold Isaacs, an American.

In May this year, a foreigner named Joseph Walden, alleged head of the Shanghai branch of the OGPU, of the Third Internationale, was arrested in Shanghai and Yuan's name and address were found on Walden's person. On May

23, Yuan gave himself up at the Shanghai Garrison Headquarters. Suspected of complicity in communist activities, he was sent to Hankow. In the course of examination, Yuan drew up a document enumerating his activities as outlined above.

GENERAL YU HSUEH-CHUNG ARRIVES IN SIAN

General Yu Hsueh-chung, Commander-in-chief of the Bandit-suppression Forces of the Kansu-Shensi-Szechuan Border, accompanied by his staff members, arrived at Sian, Capital of Shensi, by train from Chengchow at 6.50 p.m. July 4. He was greeted at the station by a large gathering of local high officials and the reprecentatives of various public bodies. Immediately after arrival General Yu and party motored to the Sian Hotel, where they will stay for the time being.

NOTED SOUTH CHINA RED LEADER NABBED

Wan Chang-chung, head of the communist military affairs committee for the Fukien, Chekiang and Kiangsi borders, was captured on July 5 in a surprise attack by the troops of Gen. Chao Kwang-tao, commander of red supression forces at Kwanghin.

Hsu Yin-man, prominent communist leader in East Fukien, has been executed by order of the military authorities at Foochow. Hsu's brother, Hsu Yin-tseng, was put to death last month.

TWO REBEL CRUISERS SET SAIL FOR NORTH FROM HONGKONG

The cruisers, *Haichi* and *Haishen*, which, since their defection from the Cantonese navy, have been lying in harbour in Hongkong slipped out quietly at 2.30 p.m. on July 9 bound for the North. It is understood that Admiral Chan Chak, former Commander of the Cantonese navy, who was entrusted by the Central Government with the task of taking the vessels North, is aboard one of them. No announcement was made on July 8 concerning the impending departure of the disaffected cruisers, which was kept a very close secret. It is believed that the vessels are being conducted to Nanking.

High officials at Canton declined to offer any comment when informed that the runaway cruisers had finally left Hongkong harbour for the North with Admiral Chan Chak aboard. Meanwhile, Admiral Chan Ho, Commander of the Haichi, who had been the prisoner of the mutineers on board the vessel since June 15, has been released.

COMING CHANGES DENIED FOR KWANGTUNG REGIME

An emphatic denial that any change among officials of the Kwangtung Provincial government is contemplated was made on July 8 by a member of the standing committee of the Southwest Political Council in an interview with pressmen. All Kwangtung officials, he said, were united in their efforts for the successful completion of the three-year plan for reconstruction, and it would be inadvisable to make any change in the personnel of the provincial government at this juncture. "All rumors are groundless," he added.

GENERAL YEH CHI DIES AS RESULT OF FALL FROM HORSE

General Yeh Chi, Chief of Staff of the Kwangsi Armies, was killed on July 9 as the result of serious injuries sustained in a riding accident. General Yeh, according to the despatch from Nanning, while proceeding that morning to military headquarters from his home, was thrown off his home and sustained a fractured skull. He was rushed to the hospital but succumbed shortly afterwards.

Deceased served as a division commander under General Tang Sen-chi during the Anti-Northern expedition and subsequently became garrison commander at Hankow. Recently, he flew to Szechuan, via Hankow to interview General Chiang Kai-shek on behalf of the Kwantung and Kwangsi authorities concerning the military situation in the South. He had only returned to Kwangsi a few days ago. His death is much regretted in Canton as he was regarded as a very capable officer. On receipt of the news, General Li Tsung-jen, Commander-in-Chief of the Kwangsi Armies, left Canton for Kwangsi to confer with General Pai Chung-hsi concerning the military situation in Kwangsi.

NORTHERN EXPEDITION ANNIVERSARY

A mass meeting was held at Canton on July 9 in observation of the 9th anniversary of the launching of the Anti-Northern Expedition, which led to the establishment of the Kuomintang regime. Speakers from Kuomintang headquarters urged that the revolutionary spirit manifested nine years ago be revived and also advocated the prompt carrying out of the reconstruction programme as laid down by the late Dr. Sun Yat-sen.

GOVERNMENT EMPLOYEES IN CANTON TO UNDERGO MILITARY TRAINING

In addition to students of middle schools in Kwangtung, all government employees, including the staffs of the various headquarters in Canton, will have to undergo serious military training. A proposal to this effect submitted by General Chen Chi-tang, Commander-in-Chief of the Kwangtung Armies, Chow Lu, President of the Chung Shan University, and Lin Yun-kai, Chairman of the Kwangtung Provincial Government, was adopted at the meeting of the South-West Political Council on July 9.

The Kwangtung Provincial Department of Finance officially announced July 4 that before the end of July, 42 kinds more of miscellaneous taxes which are hamful to the people will be abolished. The total amount of annual receipts from these taxes is about $1,681,200.

It is understood that this is the second stage in the Canton government's campaign to abolish obnoxious taxes. The first stage was completed last year, when over 100 kinds of taxes were abolished, causing a decrease in the revenue of the provincial treasury by over $6,000,000 a year.

The anti-Chinese policy of the Siamese Government is denounced in strong terms in a manifesto issued at Canton on July 8 by a body styling itself the "Overseas Chinese Committee for the Assistance of Chinese Residents in Siam."

The manifesto praises the Chinese inhabitants of Siam who, it says, have striven hard to develop the fallow lands of that country into well-tilled fields, as well as to promote trade, with the result that Siam now enjoys an excess of exports over imports.

The manifesto sets forth three principles:

1.—The Siamese Government must treat Chinese residents on a basis of equality.

2.—The Siamese Government must cancel all regulations for the oppression of Chinese residents, in order that trade between China and Siam may be promoted.

3.—A commercial treaty should be negotiated with a view to improving the relationship between the two countries.

DESCENDANTS OF FOUR SAGES HONORED IN NANKING

Kung Te-cheng, Yen Shih-yung, Tseng Fan-shan and Meng Ching-tang, the four lineal descendants of the Four Sages (Confucius, Yen Yuan, Tseng Tzu, and Mencius) were formally sworn into office as sacrificial officials at National Government House on July 8.

The function was presided over by Chen Li-fu, member of the C. E. C. The oath was administered by Tai Chi-tao, president of the Examination Yuan, on behalf of the central authorities.

The four sacrificial officials also visited the Sun Yat-sen Mausoleum, where they paid homage to the departed leader. They were entertained at luncheon by the Nanking office of the Shantung Provincial Government, and in the evening were feted at a hanquet given by the national government.

Kung Teh-chen arrived at Nanking on July 8 and was met at the railway station by Dr. H. H. Kung, the Minister of Finance, who is also a direct descendant of China's great sage. Mr. Kung is in Nanking to express his appreciation to the Government for the honour recently conferred upon him as "a sacrificial official" of the great sage.

KUNG TO LEAD EXECUTIVE YUAN WHILE WANG ILL

According to information from official sources in Nanking, Dr. H. H. Kung, vice-President of the Executive Yuan and Minister of Finance, will be temporarily in charge of the affairs of the Yuan during the absence of President Wang Ching-wei, whose acute gall trouble, according to his physician, will necessitate his remaining in hospital for treatment and recuperation for a considerable length of time.

Early Abolition of Duty on Interport Goods Asked by Shanghai Merchants

That an early date be set for the abolition of the interport duty on native goods and the extension of financial assistance to merchants in Shanghai for relief of the acute industrial and commercial depression is urged by the Shanghai City Chamber of Commerce in a petition to the Executive Yuan and the Ministry of Finance. Expressing gratification over the decision of the Government to abolish the interport duty, the petition recalls that in reply to repeated petitions from the merchants, the Ministry of Finance has announced that the measure will be enforced in the near future. The newspapers also reported that the Government had decided to abolish the interport duty on July 1. These press reports have not so far been denied by the Ministry.

However, the petition continued, July 1 has already come and gone, but the interport duty has not yet been abolished. On the contrary, the Government has announced that the 5 per cent Customs surtax will continue in force for another year. Referring to the business depression in Shanghai the Chamber states that the Government, realizing the gravity of the depression, has remitted $20,000,000 in treasury bills to Shanghai to serve as security for loans to merchants. Though the bills have already been despatched to Shanghai, however, no loans have so far been extended to the merchants, whose plight is becoming daily more precarious.

In order to avoid an aggravation of the situation, the message said in conclusion, the Government should immediately set a definite date for the abolition of the interport duty on native goods and the extension of loans to merchants in distress.

Farm Land Taken Over by Government Not to Be Taxed

Acting on the instructions of General Chiang Kai-shek, the Ministry of Finance has issued a circular order to the various provincial and municipal governments announcing the following measures for exemption of land, expropriated by the Government for highway construction, from payment of the Farm Tax :—

(1). Where the Farm Tax on land expropriated for highway construction is still collected, the organs expropriating the land should report the matter immediately to the Ministry of Finance. After approval by the Ministry, the amount of the tax collected since the date of expropriation should be refunded to the land-owners concerned.

(2). Reports on land now in course of expropriation by the Government should be immediately submitted to the Ministry of Finance for approval. Simultaneously, further taxation on the land thus expropriated should be suspended.

(3). In future, as soon as the expropriation of a piece of land is approved, the matter should be immediately reported to the Ministry of Finance, so that the land thus expropriated may be exempted from further taxation.

Shanghai-Wusih Highway to Be Opened July 15

The Shanghai-Wusih highway, 140-kilometer motor road which will be eventaully extended to Nanking, will be ready by July 15. A bus service along the new highway will be inaugurated on August 1. Built with funds financed by the Shanghai-Wusih bus company, which, in return, obtains the franchise, the highway passes through Nanhsiang, Kating, Taichong, Changshu and Tungding. At Changshu, it is connected with a branch line linking with Soochow. When the bus service is inaugurated, the fare from Shanghai to Wusih will be $4.20 with a 20 per cent reduction during the inauguration period. For the distance between Changshu and Soochow, the fare will be $0.94.

Anhwei to Issue Loan of $800,000 for Highways

With the approval of General Chiang Kai-shek, the Anhwei Provincial Government is arranging to issue a loan of $800,000 to finance the construction of new highways and the repair of existing routes in the province.

Shanghai-North China Through Water-Land Traffic to Open Next Month

Negotiations have been completed between the China Merchants Steam Navigation Company and the Peiping-Liaoning Railway Administration for the operation of land and water through traffic between North China and Shanghai. According to the arrangements, through traffic of said nature will be inaugurated in the middle of August, with Tangku as the junction.

Kansu Salt Bureau to Be Centralized in Near Future

Collection of the Salt Gabelle in Kansu Province will be taken over by the Central authorities shortly. The affairs of the Kansu Salt Transportation Bureau have already been wound up and will be taken over by the Salt Commissioner for Kansu, Chinghai (Kokonor) and Ninghsia. Following transfer of the Salt Administration in Kansu the Ministry of Finance has instructed the Kansu branch of the Central Bank of China to remit a monthly subsidy of $50,000 to the Kansu Provincial Government.

Employment Agency Law Adopted by Legislative Yuan

The employment agencies law, for the control and regulation of private employment agencies or bureaus, was revised and adopted at a meeting of the Legislative Yuan July 5.

Democracy or Communism in Asia?

The following is part of an editorial under the above heading which appeared in The "Vancouver Sun" June 20 :—

"The billion dollar Pacific Fleet of the United States with its scores of floating forts and thousands of men has recently been cruising in Pacific waters—a gesture of amity designed to promote good relations and trade between America and Asia.

"These friendly cruises cost hundreds of thousands of dollars a day. And yet they are worth it because international trade is worth billions and international peace is beyond price. Still it seems odd that nations should spend such money on these vague gestures of friendship and at the same time neglect the agencies that promote peace and commerce more rapidly and completely than a dozen such cruises. For instance, cheap and rapid communication between two countries or two continents is the most potent and permanent guarantee of their amicable relationship. The fact that cheap and rapid communication does not exist between North America and Asia is the social and commercial tragedy of the Pacific.

"It costs 5 cents per word for business men and newspapers to send a night letter across the Atlantic. It costs business men and newspapers between 23 and 41 cents a word to send a cable across the Pacific. These Pacific cable rates constitute a definite barrier to trade and talk across the Pacific Bowl. They constitute a dangerous barrier to world thought and world unity.

"Russia, from the West, is flooding India, China, Japan and other parts of Asia with the ideas and ideals of Communism. Separated from the Orient by this barrier of high cable rates, North America sits back with her ideals and mechanics of Democracy and allows this Russian Communistic penetration of Asia to outbalance our prestige and react upon our trade.

"So far as Asia is concerned, the present Pacific cable rates make our Democracy practically inarticulate."

Appeal of Five European Pirates Dismissed by Port Arthur Court

The Supreme Court at Port Arthur has refused to grant a trial to the five Europeans convicted of having pirated the Chinese steamer Sheng An in Chinese waters in June, 1933, and who appealed against the sentences imposed upon them by the Appellate Court in Port Arthur. It is not likely that any further appeals will be lodged.

The five Europeans were charged with having seized the Sheng An on June 28, 1933, and with having murdered ten persons, including three foreigners, aboard the vessel.

All five appealed to the Appellate Court in Port Arthur, and after another protracted hearing, the court on January 29, 1935, confirmed the death sentences imposed on Captain Tauden and Westermann; altered the sentences of life imprisonment imposed on Gautchi and Muller to the death penalty, and confirmed the sentence given Schroeder by the Dairen District Court.

Nanking Warns Publications Against Articles Unfriendly in Tone Toward Japan

All of the newspapers, news agencies and magazines throughout the country were warned July 7 against publication of articles which may be considered as insulting to the Japanese Emperor and against violation of the principles set down in the National Government mandate dated June 10, prohibiting acts obstructing the friendly relations between China and foreign powers. The warning, issued by the Central Publicity Committee of Central Kuomintang, deplored that an article, now considered by Japanese as insulting to Emperor Hirohito, should have appeared in the *New Life* Weekly of Shanghai.

The text of the warning issued by the Committee reads :

"To all Provincial and Municipal Kuomintang Headquarters :

"In May this year, the *New Life* Weekly of Shanghai published an article insulting the Japanese imperial family and caused ill-feeling among the Japanese. Japan is famous for her loyalty to her ruling family and the way her nationals honor their emperor is beyond imaginat on of the general public. A slight carelessness in writing or commenting may cause ill-feeling among the Japanese. For a year, this Committee has repeatedly warned against such articles and in most of the cases, the warnings are carefully carried out. "It is most deplorable that the *New Life* Weekly published such an article. While the Committee has adequately disposed of the case, a warning must be issued again to prevent recurrence of such incidents in the future. You are, therefore, instructed to warn the publishers, newspapers and news agencies in your respective areas to take precautions against such articles. In connection with the anti-Japanese movement, the Central authorities have repeatedly given instructions that the National Government mandate on June 10 should be carried out. You are instructed to inform all of the comrades and at all times advise the people to faithfully apply those principles."

How Japan's Opium Policy Demoralizes the Chinese in Manchuria and North China

BY C. Y. W. MENG (孟 昭 水)

COMMUNIQUE Number 23 issued on May 20, 1935, by the Anti-Opium Information Bureau in Geneva, under the heading of "Manchukuo's Opium Policy," mentioned Bulletin Number 67 issued on January 29, 1935, by the Manchukuo Government and concluded that "from the statements in the Bulletin it is permissible to conclude that in Manchukuo there are 900,000 opium smokers; 210,000 drug addicts; 82,000 licensed opium smokers; 817,400 unlicensed opium smokers; that 900,000 smokers, at 5 grams daily, smoke 1,642 tons annually; that 82,600 smokers, at 5 grams daily, smoke 151 tons annually; that 1,491 tons of opium annually escape control; that 210,000 drug addicts, at 6 grams daily, consume 30 tons of narcotics annually; and that the narcotics clandestinely consumed are either manufactured in Manchukuo or are clandestinely imported from a friendly neighboring country."

The communique further stated the conclusion that "the potential danger of Manchukuo for the rest of the world as a source of supply for the illicit traffic is plainly established."

The information contained in the communique is certainly very brief. Let us now state some more facts about the terrible state of affairs in Manchuria and North China under Japanese control or domination. At the outset, it must be pointed out that what Japan is doing in Manchuria and North China today is exactly what Japan did before in Korea and Formosa. That is to say, after the forcible occupation of the Chinese provinces, Japan has again resorted to the employment of the old weapon—opium—to subdue the Chinese masses.

Port Arthur and Dairen, Centers of Japanese Opium Operation!

According to our study, the center of the Japanese illicit traffic is in Port Arthur and Dairen, two Japanese leased territories. On August 13, 1924, the Japanese authorities promulgated the so-called "Regulations Governing the Opium Traffic in Kwangtungchow." Shortly afterwards the "Opium Monopoly Bureau" was established and the "Opium Monopoly Law" was promulgated. Two years later, the "Regulations governing the Organization of Small Opium Retail Stores" through the grant of "Special Permits" by the Opium Monopoly Bureau were also promulgated. Since then the opium traffic—the importation and manufacture of opium, etc.—has been entirely under the control of the Bureau. That is to say, the Bureau has been the only organ which could buy or import opium from Japan and other places, or manufacture opium or sell the opium. According to our information from the Bureau, large quantities of opium had been sold to the many small opium retail stores in Changchun, Antung, Mukden and other places along the S.M.R. (South Manchurian Railway). But before the forcible occupation of Mukden by Japan on the fatal night of September 18, 1931, the Japanese opium policy to "poison" the Chinese masses had not been a success due to the Chinese anti-opium measures. But after the occupation of Mukden and the establishment of Manchukuo—the puppet of the aggressor—the Japanese opium policy has been in full swing, and has been one of the most effective weapons in subduing the Chinese masses, physically as well as spiritually, not only in Manchuria, but also in North China and in all other places where the Japanese army goes.

Illicit Traffic Organs in Manchuria

The first step which Japan took after the forcible occupation of Manchuria was to exercise complete and effective control over the opium establishments in Manchuria and to open more so-called "Opium Monopoly Offices." Sometime in August, 1931, the Japanese forced their puppet to form the so-called "Preparation Committee for the Establishment of Opium Monopoly" 雅片公賣籌備委員會 in Changchun, the capital of Manchukuo, and the director (a Japanese) of the Public Finance Department of the Ministry of Finance of Manchukuo was one of the many Japanese officials who was held responsible for establishing the Opium Monopoly Office. A series of "Opium Laws" 雅片法, "Regulations Governing the Buying and Selling of Opium", 收賣法 etc., were promulgated. The "General Opium Monopoly Bureau" 雅片專賣分署 was established in the Capital, with other Bureaus 分署, Branch Bureaus, 支署, and Branch Offices 專署, scattered throughout the whole of Manchukuo, whose sole function is to "buy in" the opium, "to sell" the opium, wholesale or retail, to collect the opium taxes, to "issue" the so-called "opium smoking permits", etc. The higher officials in the Bureaus are Japanese.

The second step which the Japanese took was to generalize and encourage the sale of opium throughout Manchukuo. In every hsien and district, there must be one or two "opium retail stores" (or offices), the chiefs in charge all being appointed by the General Opium Monopoly Bureau; their duty is to encourage the sale of the opium and manufactured drugs in their respective localities. Within the city of Mukden alone, there are no less than 500 opium retail stores, whose locations are all designated by the Japanese-Manchukuo authorities. This number, let it be pointed out, does not in any way include the many "priviate" opium selling establishments. There are about a hundred opium retail stores in the Manchukuo capital.

The following table will give us some idea of the public opium selling stores and opium dealers, under the name of "opium monopoly offices," in several places in Manchukuo:

Location of Opium Monopoly Offices	Number of Offices	Monthly Earnings	Number of Smokers
(Capital of Manchukuo)	38	$140,000 above	Male—76,460 Fel. —92,828
Harbin	100	$120,000	100,000
Mukden	100	Information not available	80,000

The number of "offices" above-mentioned does not include the many "branch offices," "sub-branch-offices," etc.

Smoking Houses Under Various Attractive Names

One correspondent in Heilungkiang, in writing about the opium traffic in the Province, has the following to say:—

"Recently opium smoking has been greatly increased. Insignificant merchants, gentry, students, apprentices, etc. have all indulged in opium smoking. The establishment of opium retail stores (offices) are like the 'trees in the forests' (meaning numerous), and are under various attractive names, such as 'A Peach Garden Outside of the World' (世外桃源), 'Drinking and Sleeping Room' (醉臥軒), 'Refreshing House' (怡神閣), 'A Tower of Sleeping on the Clouds' (臥雲樓), 'Rejoicing Garden' (賜心園), etc. These establishments are organized after the model of the Japanese organizations, whose capital varies from $10,000, to $200,000—which can easily be put up, individually or collectively. These establishments have all employed waitresses whose "bye-product" business (prostitution) is equally flourishing."

No less than 9,000,000 people, or approximately one-fourth of the population (30,000,000) are addicted to opium smoking.

The following table will give some idea of the acreage devoted to opium cultivation. (Refer to the Peiping *Morning Post* dated September 20, 1934:)

Provinces	*Acreage of land used for opium plantations*
Liaoning	2,000,000 Mow
Kirin	1,800,000 Mow
Heilunkiang and Jehol	2,000,000 Mow

From the above it will be seen that the total area of land used for opium plantations is about 5,800,000 mow. It must be pointed out that the large area of land for opium plantation is due to Japan's opium policy, which compels the farmers to plant the opium to "supply the Japanese with materials to poison and demoralize the Chinese masses."

Tientsin and Peiping, Opium Centers of North China

The Japanese Concession in Tiensin has now become a "Selling Place for Heroin." The process is simple. The Japanese importers or manufacturers merely sell the heroin to the Chinese "traitors" who in turn sell it to the Chinese addicts. These "traitors" are the "running dogs" of the Japanese, and are assisted and protected by the Japanese. Visitors of high standing from the north further tell us that the places along the Great Wall are full of such smoking houses. The magistrate of Chongli Hsien was dismissed by the Japanese militarists merely because of his anti-opium policy and measures!

As to Peiping, it has also become a "Heroin World," (白化的世界), as one writer put it. "The sale of heroin in Peiping has broken all records in the past," he said.

There are several big heroin organs in Peiping which manufacture and sell heroin, besides the many smaller establishments or agencies for distribution purposes. These establishments are under the management of Japanese or Koreans. Another visitor locates some of these big establishments as follows: One big manufactory at the entrance of Tung Sen Sen Tien (東單三條) and Woo Mao Hutung (牛毛胡同), another a big building having one "green door" somewhere near Ho Nan Pei Pi Street (和內牛壁街), and another at Ho Nan Sin Pin Road (和內新平路). These establishments are allowed to exist, it is said, because they are under Japanese management and protection, in the face of which the Chinese authorities are entirely helpless.

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It is a great pity indeed that Peiping, the former capital of China, which should be developed as the cultural center of the country and the tourist center of the Far East, has now sunk so as to become one of the most demoralized cities in the world.

So the communique puts it succinctly when it concludes that "the task (meaning the suppression of the opium evil in China as undertaken by the National Government) is complicated by conditions which do not find their parallel in any other country. Distances, absence of communications, banditry, military expenditure and mercenary motives, Japanese pressure and Japanese peddlers, frontiers and foreign traffickers, drug rings and diplomacy, extrality and extraordinary profits, foreign concessions and foreign contraband—all complicate a situation which, even under the most favorable conditions, would still be most difficult to cope with!"

Nanking July 4, 1935.

How the Kwantung Army Officers Would Settle Far Eastern Problems

A conference of staff officers of the Kwantung Army, held in Hsinking June 27 following the formal settlement of the Chahar Incident, put itself on record (according to *Nippon Dempo*) as desiring the following China policy:

1. Japan has no objections to the idea that co-operation between Japan, Manchukuo and China be made as full as possible and that by this means lasting peace in the Orient be established. But there must be a guiding influence for the tripartite co-operation. It is very clear that Japan should be the central leader, judging from the world trend and the power of Japan to shoulder the responsibility for the safety of the national defense of the three countries.

2. Since the tripartite co-operation will be impossible of realization if China pursues the policy of pitting one foreign country against another, General Chiang Kai-shek, who is the actual authority in China, should fundamentally change his attitude toward Japan not only in his policy not dealing with North China but throughout China, at this time when China is facing an unprecedented crisis.

3. By strengthening the tripartite co-operation China should drive out foreign enemies, cultivate the power of the people and endeavor to unify the country.

4. Japan always has hoped and hopes for China's unification. China should awaken to the fact that it was Japan's power which saved China from being partitioned.

5. Judging from China's history of 4,000 years, Japan cannot recognize that there is a probability of China realizing her unification. Her history of 4,000 years has been that of civil war and internal strife. Although China desires unification, actual unification is hard to realize. Taking this actual condition into consideration, Japan should shake hands with China in order to effect the tripartite co-operation, no matter whether it be Nanking or North China, if any of them is willing to have real co-operation.

6. As the world situation becomes aggravated, China will soon awaken, but at present the policy of the Chiang Kai-shek regime based on the foundation of the Kuominatang is incompatible with Japan's policy. It is, therefore, quite necessary that real co-operation should be obtained and the situation changed so as to provide for the future.

7. As a result, as regards the North China issue, too, establishment of a political authority not affected by the political order of the Central Government is required as the minimum necessity.

8. The attitude of foreign countries toward Japan-Manchukuo-China co-operation, with Britain and the United States as the central countries puts more emphasis on trade and commerce than establishment of Oriental peace which should be their first concern. As to all other matters concerning national defense and maintenance of peace and order, the fundamental principle of the Orient for the Orientals should be restored.

9. The same can be said about Soviet Russia's Far Eastern policy. What the Soviet Far Eastern policy would lead to would be a clash with Japan. Japan does not welcome the occurrence of such a situation. It will be the wisest policy for Soviet Russia to establish the policy of entrusting Japan with Far Eastern affairs for the peace of the Orient.

Netherlands East Indies Propose to Raise Head Tax on Alien Immigrants

Further efforts of the Netherlands East Indian authorities to curb the entry of alien employees of foreign companies are reported from Batavia. The N. E. I. administration seeks to enforce an increase in the head tax on all alien entrants from 150 guilders to 1,000 guilders. A bill to this effect has been submitted to the State Council, which is also considering still other drastic measures to limit the entry of alien business men.

Outlook for National Unification Is Dimmed

BY PAUL K. WHANG (汪仲羣)

THE seemingly placid surface of China's political waters has been very much ruffled as a result of a series of new events happening in the past few weeks, and the discordant notes struck by political malcontents, in spite of the rigid censorship of the press, have become clearly audible, as the sound of Japanese sabre-rattling has been subsiding. Even the men in the street who have watched these recent happenings can not fail to discover many rifts in China's political flute. Whether these rifts will be successfully patched up by a new coating of paint or eventually lead to open breaks and shatter the flute into pieces will depend much on the tactfulness and forbearance on the part of Nanking officialdom in handling this very difficult situation; but their presence bespeaks that the course on which the ship of state is now sailing toward peace and unification is still beset with many uncharted rocks hidden here and there beneath the water surface.

The virus of old militarism and its characteristics, in spite of the lapse of time, the condemnation of the public and the awakening of national spirit, have still taken such a deep root in the fertile soil of North and South China, that their removal appears to be a task even more difficult than the eradication of communism. This curse, which has been principally responsible for all of China's national woes in the past two decades and also her present hopeless and helpless position in face of foreign aggressions, continues to linger in this wrecked country and casts a long and black shadow over its future outlook. The gleam of unification sunshine, which has of late streamed forth has now been dimmed by patches of dark clouds appearing hither and thither on the political firmament, and the last lap of the journey to peace and unification may prove to be a labyrinth full of thorns and pitfalls.

Nanking Makes Little Headway in North and South China

While the Nanking Government has recently made steady progress in consolidating its position in Central China and extending its influence to West China, it, however, has not made much headway in asserting its authority in North and South China. The bulwarks of militarism both in the North and in the South have proved to be too strong to be pierced by Nanking's spearhead, and behind these bulwarks, spheres of influence have been created by numerous "strong men" and kept intact by virtue of personal armies. The semblance of peace which has been more or less maintained for the past few years would not have been possible, had the Nanking Government not assumed a very conciliatory attitude toward their defiance, and meekly accepted their lip-service in exchange for financial assistance.

Up in the North, the political condition, it must be said, has always been shrouded in a mist. Without speaking of Japanese domination and intrigues, the situation has already proved to be a very complicated one, inasmuch as those who have been in power, have generally taken orders not from the Nanking Government, but from their former masters of the old regime. Gen. Yu Hsueh-chung, until recently the leader of Hopei Province, is a close follower of Gen. Chang Hsueh-liang. Gen. Han Fu-chu, the "strong man" of Shantung, and Gen. Sung Cheh-yuan, the deposed governor of Chahar, are former subordinates of Gen. Feng Yu-hsiang. And Gen. Shang Cheng, new chairman of Hopei and Gen. Fu Tso-i, governor of Suiyuan, are the henchmen of Gen. Yen Hsi-shan. Although they have been generally characterized as the Peiyang generals, the followers of the former "Christian General" and the erstwhile "Model Governor" of Shansi have had no sympathy with those of the Young Marshal.

Outwardly, the form of provincial government in North China has been changed along the lines set down by the Nanking Government, and the ranking officials have received their due appointments from Nanking; but beneath this superficial surface, one can hardly notice any difference between the new order of things and the old regime. As before, the provincial governors, or chairmen of the provincial governments, have still maintained their personal armies for their personal use. As before, they have assumed a semi-independent attitude toward the Central Government and toward each other. And as before, they have resorted to the handy means of raising revenue to fill up their private coffers. The descendants of the old regime have found themselves just as well fitted for playing the new roles by merely changing their costumes. Therefore the metaphor of putting the old wine in a new bottle can be very well applied to this particular case.

Until recently a sort of balance of power had been maintained in North China with Gen. Yu Hsueh-chung holding the key position. The presence of Gen. Yu and his army in Peiping and Tientsin not only served as a barrier to separate the followers of Generals Feng and Yu from pooling their interests, but also deterred them from launching any new movements in opposition to Nanking. So long as Gen. Yu was loyal to the Young Marshal and the Young Marshal was satisfied with playing second fiddle to Gen. Chiang Kai-shek, the armed peace could be preserved in North China. This explained the reason why the Nanking Government hastily recalled the Young Marshal from his sojourn in Europe where he had gone after the Jehol debacle at the time when rumors were afloat alleging the formation of a new front in North China including Gen. Yu himself.

This balance of power is now dislocated with the transfer of Gen. Yu and his troops from Hopei and the total elimination of the influence of the Young Marshal from North China as demanded by the Japanese. The appointment of Gen. Shang Cheng as chairman of Hopei Province will place North China totally in the hands of the followers of Generals Feng and Yen—a state of affairs which will prove highly unfavorable to the Nanking Government, if they should continue to follow dictates of their former chiefs. If this should be the case, the future outlook of national unification is far from bright. Possibly the Japanese, who have been well aware of this situation, have purposely ousted Gen. Yu from North China, so that they can follow their traditional principle of "divide and rule".

Wide rumors have already been current as to the agitations started by a certain military leader against the dismissal of Gen. Sung Cheh-yuan, the activities of the former followers of the "Christian General", and the new line-up being formed among the Peiyang generals. Whether these incidents are but the sparks of the future conflagration, can not be told; but what is certain is the fact that the Nanking Government will definitely lose its control over North China even though an independent government under Japanese auspices is not immediately set up.

Situation in the South as Ominous as in the North

Down in the South, the situation is just as ominous as in the North. The hope that the departure of Hu Han-min would lead to close rapprochement between Nanking and the Southwest may never be realized. The recent mutiny of two antiquated warships in Canton and their return to the Nanking's fold may become a hitch which will further widen the differences of these two factions. The recall of Cantonese troops from Kweichow and Kwangsi and the reshuffling of the Cantonese military commanders have borne witness to the intensive military activities in which Gen. Chen Chi-tang has not been engaged. If it is not against Nanking, against whom should Gen. Chen make such military preparations?

In the meantime, the reported Japanese financial assistance to Kwangsi has lent weight to the current rumors that the Japanese are now intriguing with the Southwestern military leaders for the purpose of stiffening their opposition to Nanking. With the Japanese financial support, the Southwestern military leaders will be no longer faced with the difficulty in procuring the sinews of war, the lack of which has hitherto prevented them from taking any precipitate action which might easily lead to open breaks. Therefore it is feared that this Japanese intrigue, if successful, will undo all the good works which have been done by numerous peacemakers for the cause of national unification.

The successful extension of Nanking's authority to the western provinces must strike terror to the hearts of the Southwestern military leaders, who, sensing the insecurity of their position, may find that the only alternative to their surrender is to seek foreign assistance to save their position even at the necessity of paying a very high price. The Japanese, whose generosity has been known to many of retired warlords, are now once again prepared to extend their hand of assistance to the Southwestern warlords, whose regime, without foreign assistance, is by no means secure at the present time.

The Japanese are playing intrigues both in North and South China. The ambitious warlords and political malcontents who have been apt to place personal interests above national welfare are ever-ready to utilize foreign influence and assistance for their self-gains without giving the least consideration to the consequence of their misdeeds. With these in view, we can not help looking at the things in future through glasses of pessimism.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

Down Trains										Up Trains							
41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3	MAIN LINE STATIONS		302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep.	Peiping - - -	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,,	Fengtai - - - -	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,,	Langfang - - -	,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,,	Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr.	Tientsin East -	dep.	7.30	7.50	14.00	15,55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep.	,, ,,	arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	
10.38		12.47		18.03	Stop	1.10	14.47	,,	Tang-ku - - -	dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,,	Lu-tai - - - -	,,		5.26	11.41	13.48	17.43	4.08		
12.52		14.42		20.11		3.32	16.39	,,	Tang-shan - -	,,		4.15	10.30	12.50	16.37	2.58		
13.39		15.17		20.47		4.20	17.14	,,	Ku-yeh - - -	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,,	Lanhsien - - -	,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,,	Chang-li- - -	,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,,	Pei-tai-ho - - -	,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,,	Chin-wang-tao -	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr.	Shan-hai-kwan -	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep.	,,	arr.						21.26		
		16.25						arr.	Shenyang (Mukden)	dep.						10.15		
	FOR SHANGHAI		FOR PUKOW								FROM SHANGHAI						FROM PUKOW	

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934. BY ORDER.

Dr. Sze Speaks on American and Chinese Characteristics

The following are extracts from an address delivered at the commencement exercises of Grinnell College, Grinnell, Iowa, June 10, by Dr. Sao-ke Alfred Sze, Chinese ambassador to the United States, the general theme of which was the diverse characteristics that distinguish the civilization of China from that of the United States.

"We Chinese are convinced that the American people have a sympathetic understanding of our many social and political problems. It is because of this understanding that there exist such cordial relations between the Governments of the United States and China. This accord is especially gratifying because of the fact that the civilizations of the Chinese and American peoples exhibit so many diverse characteristics.

"In earlier centuries, the East,—and here I would include what is known as the Near East as well as the Far East—exerted more influence upon the Western people of Europe than did the Western peoples upon those of Asia. Thus, to give but a single illustration, from Asia came the Christian religion. But, in recent times, and especially since the 18th century, and still more especially since the middle of the 19th century, Western influence in the Far East has been much greater than has been Eastern influence in the West. That, in many respects, the East has profited by this influence there can be no doubt, but that this influence has been wholly beneficial, no one, I think, will assert.

"There are some of my countrymen who are desirous that the westernization of China should proceed as rapidly and as comprehensively as possible. I appreciate the many excellences of Western civilization, but I see also characteristics which seem to me not excellent, and even as to some of the features which are wholly commendable, as applied to Western conditions, they would lead I think to undesirable results if introduced in China.

"We Chinese are profiting greatly by the scientific spirit and scientific standards which we are receiving from the West. Not only are we thus gaining the benefits of scientific discoveries, but we are training ourselves to do our part in the further advance of scientific studies. We are profiting greatly by the modernizing and rationalizing, under Western influences, of our educational systems. Our political ideas are being profoundly and beneficially, affected by Western doctrines. We now believe that our governments, national as well as local, should seek actively and affirmatively to promote the welfare of the governed and that they should be constitutionally operated, that is, according to established laws determining the powers and responsibilities of their officials.

"But now for some of the possible evils to the East from the West. First of all these is the danger that patriotism will develop into an irrational and, when occasion offers, an aggressive nationalism. It is my anxious hope that my people will never develop a false patriotism and yet there is one development now taking place in China which needs to be spoken of. My people are fundamentally, and in principle, a non-military people, but, having been the victims, upon so many occasions, of military aggression, they have come to the conclusion that it is necessary for them to increase their armed strength. This they are now doing, but the purpose of so doing is solely one of self-defense, and not for aggression in any form. They respect justice and covet nothing that of right belongs to any other people and it is my confident belief that they will never develop that type of imperialistic militarism which is seen in some other countries."

Peasant Revolt in Yuyao, Chekiang

More than two thousand peasants launched a vigorous attack in the early morning of July 4 against the First Branch Office for the Measurement of the Sand Land, in the areas of Antung, Lutang, Shatuan and Haitung and other regions of Yuyao Hsien, Chekiang. The office was finally burned to the ground and several officials of the office were severely beaten. The peasants burned all the instruments for the measurement of the land.

Peasant Revolt in Linchan

More than six thousand peasants and members of secret societies surrounded the city of Linchang in Honan last week to demand the discontinuance of the collection of landtax. The blockade lasted for two days and two nights. The leader of the peasants was arrested, but was released as a result of strong representations by the masses.

Silk Filature Workers Object To 12-Hour Day

Protesting against the increase of the working day to 12 hours and the decrease of wages, 400 workers of Wei Chen Chin Kee Silk Filature sent a petition to the local authorities in Kashing July 7. Despite the mediation of the authorities, the management has refused to pay the workers according to the original schedule. Operations in the factory were suspended.

Mongolians Capture Japanese Army Surveyor and Keep His Instruments

AFTER having been kept five days in the hands of Outer Mongolian soldiers, Kei Inukai, a Japanese surveyor employed by the Kwantung Army, returned to Hailar, July 3. Mr. Inukai said that he, with a party of three, was surveying the region in the vicinity of Hairanstengol, north of Lake Buyer Nor, for 20 days, living in a tent marked by a large Japanese flag. On June 23, in the morning, he saw in the distance four men, who later proved to be Outer Mongolian soldiers. As his work was finished and he did not want to get into difficulties, he ordered his men to pack up and soon started on his way on a horsecart. The soldiers fired a volley, forcing the cart to stop. All four men were blindfolded and taken west, Mr. Inukai said. In the next two days they moved west, changing from the cart to horseback, and later to an automobile.

On June 26, according to Mr. Inukai, they were approached by a man, who appeared to be a Mongolian officer, and the soldiers were ordered to take the captured men back to the border. Mr. Inukai and his party were taken back to Khalakamiao, but on approaching the latter the Mongols held the captured men for two days. Finally, on June 28, Mr. Inukai was taken to a border point west of Lake Buyer Nor and after being told that he was near the boundary was asked to sign a document stating that all the surveying apparatus was undamaged. He was also asked to sign a map of the locality in which he was captured. Then the Japanese surveyor was blindfolded and taken across the the border, where he met Manchukuo troops. At this moment, Mr. Inukai said, the Mongols suddenly disappeared with the instruments and the documents.

Kwantung Army Charges Outer Mongolians with Trickery

Charging that the basis of the Outer Mongolian protest alleging a violation of its territory by Kei Inukai, a Japanese Army surveyor, had been secured by trickery, Kwantung Army officials have presented a rebuttal of the note. The Outer Mongolian communication, delivered by the commander of the eastern border defense force of that State to the commandant of the Hsingan Army Corps of Manchukuo on July 3, was made public two days later at Manchuli where representatives of both countries are now discussing a settlement of the Kahlakamiao conflict of January 25-31 this year. This document alleged among other things that Mr. Inukai had signed a paper acknowledging that he had crossed the frontier into Outer Mongolia and that he had been arrested after he had first fired against an approaching Outer Mongolian patrol.

The Kwantung Army charges that the document, on which the Outer Mongolian protest is based, was secured by trickery, in that Mr. Inukai was made to sign a paper in Mongolian which he could not not read.

Alleged Slayer of Capt. Nakamura Said Caught

Japanese gendarmerie officials in Mukden July 3 claimed to have arrested one of the alleged slayers of Capt. Shintaro Nakamura of the Japanese General Army Staff. The disappearance of Capt. Nakamura and three companions in Hsingan Province in the summer of 1931 played a major part in creating Japanese ill-will against the administration of Marshal Chang Hsueh-liang, then Manchurian overlord.

The prisoner is Lieut.-Col Lu Hung-chin, 38-year old commander of artillery in the Second Defense District of Manchukuo, who was attending a special course in the Central Officers' Training School of the Manchukuo first Army in Hsinking. Lu is alleged to have entered Manchukuo service by pretending that he had served as commander of the First Battalion of the Third Regiment of the First Mixed Brigade of the Reclamation Force of the former Northeastern Army. He was taken into custody June 26.

Gendarmerie officials claim that Lu has confessed to the murders of Captain Nakamura; Nohutaro Isugi, a reserve cavalry sergeant-major; one Russian and one Mongolian.

The bones of Capt. Nakamura were recently unearthed by Japanese army searchers in the Hsingan District and after being identified, were turned over to his widow in Hsinking. Mrs. Nakamura left the Manchukuo capital for Tokyo July 2 carrying with her her late husband's remains. Following a funeral service at the Aoyama Funeral Hall on July 10, Mrs. Nakamura returned to her home in Nagano Province, where interment will take place.

Japan-Manchukuo Council Pact To Be Published July 15

Simultaneously with the signing of the treaty providing for the establishment of a Japan-Manchukuo Joint Economic Council in Hsinking on July 15, the full text of the pact will be made public in Tokyo.

An official statement, setting forth the reasons which led to the conclusion of the treaty,will also be made. The pact is generally understood to be designed to reinforce the economic ties between the two countries, which are already firmly bound together politically by means of a protocol providing for mutual aid in defense measures. Japan and Manchukuo will each be represented by four representatives on the projected body.

Eight Manchukuo Police Along Great Wall Killed by Soldiers, Allegedly from Chahar

Eight Manchukuo policemen in charge of the Hsitouchentsu branch police station north of Kuyuen on the Great Wall were killed, the station ransacked and later burned in an attack by about 100 armed men said to be Chinese soldiers from Chahar, an official report received from Chengteh July 5 stated.

According to this dispatch, the assault took place at 2 o'clock Wednesday morning. The branch station was completely surrounded and subjected to a withering rifle fire. Hand grenades were also used by the attackers, villagers are reported to have told investigators.

Lieut. Wu Shih-ying, in charge of the post, was found dead, his body half cremated in the smoldering ruins of the post. He had been shot through the abdomen.

Another body found was identified as that of Liu Wen-Wu, a police sergeant. He was suffering from fatal wounds apparently inflicted by a hand grenade. All decuments, fittings and money in the station were removed by the marauders who also took with them five ponies from the station stables, the report said.

Two S.M.R. Officials Visit North China to Blaze the Way for Economic Exploitation

Two high officials of the South Manchuria Railway Company proceeded from Diren to Tientsin this week to blaze the way for increased Japanese participation in the economic development of North China. Haruichi Utsumi, Director of the East Asia Affairs Department of the S.M.R., and Tokio Nonaka, staff member of the Sixth section of the Company's Department of Economic Statistics, will remain in North China for about two weeks. The scope of their survey will include land and water transportation, communications, rivers and harbors, agriculture, cattle-breeding and industry. The communication facilities and the rivers and harbors will be the first fields to be studied by the Company's investigators.

The South Manchuria Railway Company is now capitalized at Yen 800,000,000, of which a half was contributed by the Japanese Government. The concern now operates all of the Manchukuo State Railways. In addition it operates coal mines, a shale oil plant, workshops, steamships, iron works, a chemical fertilizer plant, power and gas plants, hotels, public works enterprises, hospitals, schools, research institutions, medical colleges, museums and libraries.

Two Trains Daily Take Russians Home

Two trains daily are taking Soviet citizens out of Manchukuo to Russia, conveying an average of 130 families totalling 500 men, women and children. The exodus represents the last stage of the Soviet evacuation from Manchuria, in accordance with the terms of the agreement for the transfer of the Chinese Eastern Railway to Manchukuo ownership.

Hsinking-Harbin Line to Change to Broad Gauge on Aug. 31

Precisely at 5 o'clock in the afternoon on August of 31, 2,000 laborers will go to work on the conversion of the present five-foot gauge of the Hsinking-Harbin railway line to the standard width. Exactly three hours later they are scheduled to complete the task, allowing the first train to go through from Dairen to Harbin. The immense job, which will cost Yen 6,500,000, will enable trains to run the distance between Harbin and Hsinking in 4 hrs. 58 minutes.

As doubts are entertained by the administration concerning the strength of the Russian-built bridges, the locomotive of the super-express "Asia" will not be used until the old structures are replaced by new. Simultaneously with the inauguration of through service between Harbin and Dairen, new train schedules will come into effect on all Manchukuo railways.

Telephone Phone Service Links North China with Manchuria

Peiping and Tientsin commenced direct telephone communication with cities in Manchuria July 1. The two North China cities were linked with that country under the terms of an agreement signed on June 27 by representatives of the Manchukuo Telephone and Telegraph Company, the Peiping-Liaoning Railway Bureau, the Tientsin Telegraph Bureau and the Peiping Telephone Bureau at Peltaiho.

South Seas Lumber Company Plans to Increase Business

Ambitious plans for the development of its lumber business in Manchukuo and the South Seas Islands are announced by the Oriental Development Co., Ltd. As the first step in its program of expansion, the concern decided to increase the capital of its subsidiary, the South Seas Lumber Co., Ltd., to

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Yen 1,000,000. The firm, which now exploits large lumber concessions in North Korea by special permission of the Korean Government-General, intends to begin work along the Eastern branch of the North Manchuria Railway. According to company officials the resources in that part of Manchukuo total 120,000,000 c. ft. Before the end of this year the firm intends to cut 180,000 c. ft. of lumber.

Kwantung Army Thinks Arbitration Body Useless

Charging the Moscow authorities with "ungentlemanly" conduct in all past border disputes, a spokesman of the staff of the Kwangtung Army July 6 expressed strong doubt that a tripartite border dispute arbitration commission would serve its purposes.

The Kwantung Army spokesman said that although the Kremlin authorities have repeatedly professed their desires for rapprochement among the three nations concerned, they simultaneously increased their military establishment along the border, and also rushed forward the construction of military railroads.

Manchuria Colliery Company Issues Debentures for Yen 10,000,000

Debentures totalling Yen 10,000,000 are to be placed on sale in Japan on August 15 by the Manchuria Colliery Company. The bonds will bear a yearly interest of 4.3 per cent, and will be guaranteed by the Manchukuo Government and the South Manchuria Railway Company. The company is planning to increase its capitalization from Yen 16,000,000 to Yen 30,000,000 in the next fiscal year.

Manchukuo to Have Yen 5,000,000 Salt Firm

Formation of a Yen 5,000,000 joint Japanese-Manchurian salt producing and refining firm is foreseen as the result of a series of conferences between Mr. Takenuchi, economic adviser to the Kwantung Army, and various Government organizations in Tokyo. If the plans of the Kwantung army are approved, half of the capital of the projected firm will be contributed by the Manchukuo Government, with the company working in close co-operation with the Hsinkiang administration's salt policies.

Another Strike at Kailan Mines in North China

Another strike is in progress at the Kailan Mines in Machiakow. At present, only the miners working outside have joined the strike. Work under ground is being continued as usual.

Chinese and Russians Engage in Free Fight in Harbin—Police Quell Disturbance

More than 300 Russians and Chinese last week took part in a free fight in the suburb of Modchiakou. Many of them received minor wounds, and two were so badly injured that they had to be taken to a hospital. The trouble arose as the result of a quarrel between a Russian tramcar passenger and the Chinese ticket collector. Seizing crowbars, spanners and other instruments, the crew of the tramcar and several other Chinese attacked the Russian and began to drag him to a nearby tram depot. Many of his countrymen rushed to the Russian's help, while numerous Chinese went to the support of the tramway employees. Police eventually restored order after threatening to open fire.

Japanese Plan New Railways in North China

Messages from Japanese correspondents to newspapers in Japan state that Chinese and Japanese experts are now considering the laying of railway lines connecting the natural resource areas and the ports as the initial step toward the economic development of North China now that Sino-Japanese relations have seen considerable development of late.

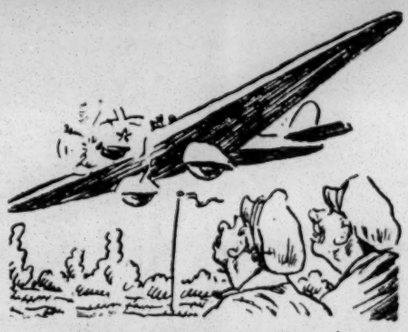
The important trunk lines under contemplation are: Transverse line connecting Tatung, Shansi Province, with Chinhuangtao via Tungchow; line connecting Shihchiachuang and Tsaochow, Shantung Province; trans-Jehol line connecting Chihfeng, Chengte (Jehol) and Dolon (Talin) and linked with a branch line of the Mukden-Shanhaikwan railway.

The Tatung-Chinhuangtao line, it is envisaged, will enable the 600,000,000 tons of anthracite coal deposited in the Tatung plains and also a rich deposit of anthracite coal and asbestos in Chahar Province, to be transported out of the respective areas. The South Manchuria Railway and the Mitsubishi have already obtained rights to construct the Shihchiachuang-Tsaochow line, which give access to the 13,000,000 tons of anthracite deposited in the area around Yengtsuan, Shansi Province. As for the trans-Jehol line, it is of great significance from the point of view of military strategy as well as Inner Mongolian trade and development of Jehol and Chahar economic resources. Speedy realization of these lines is looked forward to as of utmost importance to the Japanese in the economic development North China.

The Soviet Army and Navy as the White Russians See Them

(Reproduced from a White Russian Illustrated Journal Published in Paris)

"We will throw our caps into the faces of the enemy.
"Why your caps?"
"What'll we do when we haven't shells enough."



"For every airplane there is an observer—to watch that the aviator does not fly his machine to some foreign country."

"When you engage in dress parade raise as much dust as you can so it will fall into the eyes of the foreigners."

"The Red Navy men are feared everywhere—on land."

"He sits on his nag like a dog in a manger. He does not eat and gives nothing to others."

"Remember, you, we military men are called the sons of Marx."

Soviets Send Sharp Note to Japan on Outer Mongolia

THE Soviet acceptance of the Japanese proposal to establish a border dispute arbitration commission was conveyed to Mr. Hirota, Japanese Foreign Minister, by C. Yureneff, Soviet Ambassador to Tokyo, in a protracted interview at the Foreign Office in Tokyo July 5. If carried out, this will be the second time that Japan participates in such a scheme. A bipartite commission has been operating since 1906 to settle any disputes that should arise from the Russo-Japanese frontier in Saghalien. As soon as concrete plans for the projected body now being prepared by Soviet Russia, Manchukuo and Japan are completed, a conference to discuss the convention will be called, probably in Tokyo. According to a high Foreign Office official, the Japanese Government will seek to create a body that will be able to mediate promptly in any dispute arising on the Manchukuo-Soviet border, so as to prevent any untoward incidents in that region.

The above is the way that *Rengo* at first reported the situation. However it soon developed that the hopes for the establishment of a tripartite Border Dispute Arbitration Commission, which had been aroused following the interview in July 5 between Mr. Hirota, Foreign Minister, and Mr. Yureneff, Soviet Ambassador, were given a rude shock the following day when the Russian official declared that the establishment of such a body was "contrary to our views." Mr. Yureneff called on the Foreign Minister on July 6 and, in a nearly two-hour interview, denied the press reports that he accepted Mr. Hirota's proposal for the organization of a Japan-Soviet-Manchukuo arbitration commission. What he actually told Mr. Hirota was that Moscow held completely identical views with Tokyo on the establishment of an arbitration body, the Soviet Ambassador declared. This, he added, did not mean that the Kremlin authorities accepted Mr. Hirota's proposal. It merely meant, he said, that a concurrence of views was reached and that definite plans on this subject could be discussed at future negotiations.

Soviet officials in Moscow, July 9 issued a sharply-worded warning against any Japanese efforts to establish military or economic control over Outer Mongolia. They said that any such a plan would be strongly resisted by Russia. At the same time, high officials stated that, so far, they have not drawn any definite plan of action in the event of Japan seeking to exert pressure in Mongolia. They will wait, they said, pending the outcome of the Mongols themselves exerting efforts to prevent Japan from getting a foothold in the country.

The Japanese Foreign Office, through it spokesman, July 9, declined to comment on the so-called official note to Mongolia purporting to give details in connection with the recent Mongolian capture of Japanese and Manchukuo surveyors on the Manchukuo-Mongolian border, on the grounds that it "did not know the relationship existing between the Russian and Mongolian Government." It is the understanding of the Foreign Office, the spokesman said, that Manchukuo had protested against the arrests on the grounds that they were allegedly made within the Manchukuo borders but, the Mongolian authorities protested that the arrested men had unlawfully entered Mongolia.

Minami Denies Soviet Charges of Border Violation

A blanket denial of Soviet charges of incursions into Soviet territory by Japanese troops and Manchukuo naval vessels was entered June 5 by Gen. Jiro Minami, Japanese Ambassador to Manchukuo, in a report filed with Koki Hirota, Foreign Minister. Investigations undertaken on the spot, under instructions from Mr. Hirota, failed to substantiate the seven alleged border violations contained in the note of protest handed Japanese authorities by Contantin C. Yureneff on Tuesday, Gen. Minami said in his dispatch. Commenting on this report, a spokesman for the Foreign Office renewed allegations that the manner in which the protest had been released for publication before it was delivered to Tokyo officials indicated a Soviet desire to capitalize on the publicity that their action would be accorded. This policy, the spokesman charged, was being followed by the Soviet authorities in order to strengthen their arguments prior to the discussion of the proposals made on June 27 by Mr. Hirota for the establishments of a tripartite commission for the delimitation of the Soviet-Manchukuo border. Manchukuo, Japan and the Soviet Union would be represented on this body.

The alleged border incidents, over which protest have been lodged by Moscow, were characterized by Tokyo *Hochi* as unimportant, but being possible forerunners of grave events, in view of the presence of 200,000 troops along the Soviet-Manchukuo border. The population of Siberia amounts to only 3,000,000, the *Hochi* pointed out, which makes the presence of a strong armed force there unnecessary and a heavy financial burden on the Soviet treasury. Withdrawal of these troops, is "a serious menace to Japan and Manchukuo," the *Hochi* declared. The paper pointed out that Germany may seek to expand eastward, at the expense of the Ukraine and Eastern Europe, thus endangering the Soviet position. This menace would make it

advisable, the *Hochi* concluded, to halve the strength of the Soviet armies in Siberia, thus bringing it back to the pre-Manchurian-Incident strength.

Japanese Allege Violation of Fishery Pact by Soviets

Japanese consular representatives in Kamchatka July 7 were instructed by the Foreign Office to investigate alleged violations by Soviet authorities of the Russo-Japanese Fisheries Treaty. The Soviet Government recently allegedly set up three fishery lots in the Karaginski area on the eastern coast of Kamchatka, and is exploiting them through a state-controlled enterprise.

The setting up of these lots, the Foreign Office claims, constituted a violation of treaty rights and could not be tolerated in that they affected Japanese fishery interests and undermined the security of the Nipponese deep-sea fishing industry.

Sixteenth Anniversary of Soviet Constitution

On the occasion of the celebration of the 12th anniversary of the Soviet Constitution, Moscow *Pravada* commented that all that the Constitution provides for concerning the national question is now put into actual practice. "This country of many nationalities, which prior to the Revolution was rightly called the prison of peoples, has become a unified fraternal family made up of the working masses of all nations. In each national republic and region there may be observed growth in economy, culture and in the people themselves."

The first session of the Commission for modifying the Constitution of the USSR took place last week under the chairmanship of Stalin. The Commission established the order of its work and chose 12 subcommissions for preparatory work. These subcommissions will have Stalin, Molotov, Vershilov, Kagonovich, Litvinov and others as chairmen.

Christening Without Parents' Consent Is a Crime in Russia

The *Manchester Guardian* states that the Supreme Court of the Soviet Union has decided that the christening of children without the permission of their parents is a crime open to severe punishment. It has happened that the older relatives of children—grand-parents, grand-uncles, and grand-aunts—disliking the anti-religious ideas with which the younger generation are sedulously inoculated, have secretly taken children to church for christening. The Supreme Court decides that the request of relatives other than parents does not relieve the priest of criminal responsibility. He is liable to a year's hard labor and the confiscation of part of his property if he officiates without parental consent.

Soviet Experience Difficulty in Harvesting Crops

Great difficulties in harvesting this year's crops with in the Soviet Union were revealed in a statement contained in a decree promulgated in Moscow July 5 and designed to secure safety of the harvest in the districts around Moscow, Stalingrad and the former rich grain-bearing lower Volga territory of Zaryzin. The decree reads, "After hearing what the authorized directors of the grain-harvesting organization of these two important food-producing areas have to say, it is hereby recorded that the preliminary work of garnering and storing the new harvest has been unsatisfactory. For instance, in the Stalingrad district, not a single granary has been completed despite strict orders that they should be finished by July 1.

"In the Moscow district, conditions are just as bad, only three of thirteen drying plants projected having been finished. The repair of elevators and drying rooms and of mechanized grain storage plants ordered long ago have not begun. Out of 700,000 cornsacks only 22,000 have been disinfected."

National Quarantine Service Says China Is Cholera Free

The National Quarantine Service of the Republic of China reports that no cases of cholera have been observed either in Shanghai or in other parts of China, although suspicious gastro-intestinal complaints have occurred at Soochow, Ningpo, Swatow and Canton since the middle of June. The report of the N.Q.S., which was issued last week, stresses the urgent need of a universal clean and cheap water supply. It also states that so long as there are loopholes for infection in the form of dirty ponds and creeks where the ignorant still wash their food and clean their utensils, there will always be a fear of cholera breaking out.

As in past years, the different waterworks companies have made arrangements for the supply of free water to the needy through street hydrants so that as few chances as possible may be given for the susceptible to be infected through consuming polluted water. Public and private wells have also been examined by municipal authorities, and, wherever possible, treated with proper disinfectants, chiefly hypochlorite of lime. Other preventive measures, such as education and propaganda through lectures, posters, pamphlets, films, plays, phonographs, radio, etc., are being applied, but these are secondary to the main factor, which is the establishment of modern waterworks in all populous areas. Even the ubiquitous fly and the maligned melon, says the report, are only dangerous when accidentally contaminated.

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865

Japanese Banks Receive First Instalment on China Loans

Syndicated Japanese banks underwriting various Chinese loans announced in Tokyo July 7 that they had received the sum of Yen 1,300,000 as the first instalment on the principal and interest on several defaulted issues under the terms of recently concluded agreements. The statement did not specify on which issues this service was to apply. Adjustment negotiations covering seven loans were recently completed between Japanese financiers and Chinese officials. These include: 1.—The Peiping-Suiyuan Railway loan, in which the East Asia Industrial Company and the Mitsui Bussan Kaisha were the joint investors. 2.—The Second Telegraph Loan, negotiated by the East Asia Industrial Company. 3.—The Telephone Loan granted by the Japan-China Industrial Company. 4.—The Shantung Provincial loan made by the same firm. 5.—The Tientsin-Pukow Railway Loan, negotiated by the Mitsui Bussan Kaisha. 6.—The Nanchang-Kiukiang Railway loan, extended by the East Asia Industrial Company, and 7.—The Peiping-Hankow Railway loan of Yen 10,000,000 underwritten by the Yokohama Specie Bank in 1911. An agreement providing for a settlement of the last loan was concluded April 24 and stipulates for the annual payment of Yen 1,000,000 to Yen 1,200,000 by the National Government to the bank. Defaulted Chinese loans, until these agreements were concluded, totalled about Yen 800,000,000. None of the so-called Nishihara loans, repudiated by the Chinese Government, are included in the issues so far readjusted.

Tax on Cheap Cigarettes Is Reduced

On the recommendation of the Hupeh Provincial Stamp, Tobacco and Wine Tax Bureau, the Ministry of Finance has decided to reduce the tax on rolled tobacco of inferior grade by 50 per cent during the period June 16-August 31. Tobacco of better quality is however not entitled to this preferential rate. No reduction will be made in non-special tax areas.

In order to prevent evasion of the tax on saltpetre, the salt merchants of Changlu, in a petition to the Central authorities, request that the Salt Commissioner at Changlu be made concurrently Director of the Hopei Provincial Saltpetre Mining Bureau

World Commercial Savings Bank Closes Doors

The World Commercial and Savings Bank, a small foreign-style Chinese bank on Foochow Road, Shanghai, announced voluntary liquidation June 4. This institution, of which Y. J. Hsieh is manager and C. Y. Ling sub-manager, has a history of less than five years, having been established in 1930 with a paid-up capital of $200,000. The bank's business has been in charge of Mr. Ling, the sub-manager, Mr. Hsieh, the manager, having recently relinquished his post.

Tientsin Joint Savings Society Meets Silver Run

A sensation was created in Tientsin July 6 when hundreds of persons descended on the premises of the Joint Savings Society and demanded silver in exchange for notes. Hundreds of Koreans with a sprinkling of Chinese, lined up to await payment and were marshalled into order by the British Municipal police. The crowd consisted mainly of ill-dressed men and women, most of whom carried handkerchiefs, attache cases and other receptacles in which to carry away their silver. Many staggered from the bank burdened with heavy loads of coin. In some cases as much as 2,000 silver dollars was taken from the bank in a sack or bag. The bank met all demands so that the run eventually subsided.

U.S. Senate Bloc Asks President to Raise Silver Price by Executive Order

Senator Elmer Thomas, leader of the Senate silver bloc July 7 said that 40 Senators, both Republicans and Democrats, had signed a petition demanding that President Roosevelt should proceed with the Government's silver purchasing program. The petition asks that, if purchases of silver are not resumed immediately, the President, through an executive order, should raise the price of domestic newly-mined silver to $1.29 an ounce. The Senate request attributes the recent decline in the price to the failure of the Government to prosecute its silver buying program vigorously.

U. S. Buys 25,000,000 Ounces of Silver in Three Days

The United States Government, through its $2,000,000,000 equalization fund, July 9, came to the rescue of the collapsing silver market in London following frantic appeals by British silver brokers. The United States Treasury absorbed fifteen million ounces at the fixed price of 80-4/16 pence. It is estimated that the United States absorbed between 20,000,000 and 25,000,000 ounces of silver between July 6 and July 8.

Death Sentence Threatened for Silver Smugglers

Provisional regulations governing the punishment of crimes against the National Currency were adopted by the Legislative Yuan July 5. It is stipulated that whoever melts down silver coins, or mint bars of the Central Mint, with intent to gain profit shall be punished with imprisonment for a term of not less than one year and not more than 7 years; whoever smuggles silver coins, mint bars of the Central Mint, or articles made of silver, for export with intent to gain profit shall be punished with death, life imprisonment or imprisonment for a term of not less than 7 years; silver coins, mint bars and articles made of silver which have been melted down, or are intended to be smuggled for export, shall be confiscated, regardless of whether they belong to the offender or not.

Is the National City Bank Going to Withdraw from North China?

The Peiping correspondent of the *Tokyo Asahi* reported July 5 that because North China is assuming the characteristics of a buffer zone, foreign banks, including the National City Bank of New York, are contemplating withdrawing from the area. If this materializes it will leave only the Yokohama Specie Bank engaging extensively in foreign exchange. However, it was learned from authoritatve sources that any changes in the North China situation will not affect the decision of the National City Bank as the decision to withdraw is caused by unprofitable business since the capital removed to Nanking. J. A. Mackay, manager of the National City Bank of New York, Shanghai branch, denies that the branch in North China will be closed.

Mussolini Delivers Fiery Speech After Lightning Strikes His Plane

Mussolini had a narrow escape from death July 6 when lightning struck the machine in which he was flying to Salerno to review a Black Shirt division due to embark for the Italian Colonies. Il Duce himself was at the controls at the time, and although the wireless operator fainted, he escaped injury, while the machine was not damaged. After landing, Signor Mussolini mounted a platform and delivered a speech. They had been called upon for a struggle on which the Government did not turn its back, Il Duce declared. Italians had always defeated the black races. The battle of Adowa was an an exception because there were only 4,000 Italians against 100,000 Abyssinians. All Italians, concluded Signor Mussolini, were behind the persons leaving for Africa. The speech was greeted with tremendous enthusiasm. The battle of Adowa took place on March 1, 1896, when the Abyssinians inflicted a severe defeat on the Italians.

A bitter complaint against the stoppage of foreign shipments of arms and munitions to Abyssinia while Italy works constantly to provide its troops in East Africa with the most up-to-date weapons of war was voiced by Emperor Haile Selassie in an interview published in the London *Sunday Times* June 30.

Italian Maneuvers on Austrian Border to Use 500,000 Men

More than 500,000 men will participate in the Italian army's sham maneuvers during July and August in the districts of Bolzano, in Trentino Province, on the Austrian border, Udine, in Venezia Province, also on the Austrian border, Milan, Naples and Bari. Most of them will be employed in the first two districts, the army corps of which will be re-enforced for the occasion. Airplanes and the mechanized services will not be able to maneuver extensively, especially in the two frontier areas.

Japan Launches New Destroyer

Another 34-knot first class destroyer was added to the Japanese Navy July 6 when the *Samidare* slid down the ways at the Uraga Company's dockyards in Yokosuka in the presence of Admiral Nobumasa Suetsugu, Commandant of the Yodosuka Naval Base. The new destroyer, the keel of which was laid on December 19, displaces 1,369 tons,

Germany Will Build Two 26,000-Ton Battleships and 16 Destroyers

Twenty-eight submarines are included in Germany's naval building program ror 1935 which was announced July 8. The programs is in accordance with the recently-concluded Anglo-German Naval Agreement, which allots the Reich 35 per cent of Great Britain's tonnage. The following warships have been or will be started: Two 26,000-ton battleships with 11-inch guns; two 10,000-ton cruisers with 8-inch guns; sixteen 1,625-ton cruisers with 5-inch guns; twenty-eight submarines, of which two will be of 750 tons, six of 500 tons and 20 of 250 tons.

Distribution of "Crisis" Loans Begun by Banks

The distribution of loans by modern-style and native banks in Shanghai to assist Chinese industrial and commercial enterprises hit by the business slump has been started, in execution of an order received from Dr. H. H. Kung, minister of finance. According to advices from the finance minister, the amount of $5,000,000 is to be set aside for distribution as credit loans, while $15,000,000 will serve as mortgage loans. These loans will be secured upon the total of $20,000,000 worth of treasury bills, to be administered by the so-called Shanghai Industrial and Commercial Relief Loan Committee.

The Japanese Bureaucrats

The following are the concluding paragraphs of an article by "Saburo Hojo" (an assumed name) in the "Kaizo," (June issue) an influential Tokyo journal:—

"The Cabinet Investigation Bureau, which was created recently, is interpreted by many to be the new centre of bureaucratic activity. In fact, some of the persons interested directly in this organ seem to be trying to make it such a centre. The creation of this bureau was proposed by Home Minister Goto who planned to entrust it with the mission of conducting investigations into the fundamentals of national policy and thereby working out a policy that would be deemed fit to meet the needs of the day. His plan is a good one, but it is open to doubt whether important and lasting policies of the nation may be formulated by the bureau, which is composed exclusively of officials from various Ministries.

"Setting aside this question, this bureau may be regarded as one of the bases for the activities of the newly-risen bureaucrats. This is plain when account is taken of the fact that Mr. Yoshida heads the bureau with, as it supreme investigator, Haruo Matsui, General Director of the Bureau Resources, who reputedly has the backing of the military authorities. What they are planning to do is to turn the bureau into a sort of economic general staff of the country. It is with this in mind that they tried to invest the bureau with extensive authority, though they failed in this direction. In the light of the regulations governing its functions, the bureau has neither the authority to exercise any administrative rights nor has it the competence to vote on any administrative problems. This detracts a great deal from its influence in the various Ministries. Even if the bureau has mapped out some laudable policies, there is no knowing whether such policies will be accepted or rejected. Viewing the bureau in this light, it may be likened to the research department of a banking or commerical corporation, which is far away from any executive power.

"What role are the bureaucrats playing in the political world? As already explained, it is not on their own strength that the bureaucrats have been able to advance in politics; their advance was accelerated by the forces behind them which are opposed to the political parties. Hence, the bureaucrats find themselves between the extreme Rightist and the political parties. Casual though their political rise may appear, the bureaucrats have their justification in consideration of existing political conditions in the country.

"Despite the important role they must play, what they have done in the political world has disappointed the public. Even Home Minister Goto has accomplished little to his credit. The late Finance Minister Mr. Fujii, as a bureaucratic statesman, was a complete failure even if considerable allowances are made for his ability. Considering that the two were considered the two ablest bureaucrats, a rough idea could be formed of the abilities of other bureaucrats. The bureaucrats who hold actual control of the various Ministries are entrenched in the structure of administration where they, free from the pressure of outside intervention, are able to make practical use of their administrative technique and knowledge. This leads the nation to think that the conduct of politics lies in the hands of the bureaucrats, particularly at the present time when the country is suffering from political pauperism.

"Considering the circumstances that led to the rise of the bureaucrats and also the role they are playing, they are unlikely to grow into a factor of political dominance. After all, their role is that of an interim political force. They will have to choose between two alternatives, that is, to lean to the Left or to affiliate themselves with the political parties. Independently, they will find it difficult to assume the political leadership of the country."

Drs. Tsai and Ting Resign from China Foundation

Dr. Tsai Yuan-pei and Dr. V. K. Ting have resigned from their respective posts as chairman and director of the China Foundation for Advancement of Education and Culture in China presumably due to their dissatisfaction with the organization for making no contributions towards the mass education campaign now being conducted by the government.

In view of the fact that the $2,400,000 listed in the budget of the national government for 1935 for the development of mass education in the country will be insufficient, the Ministry of Education has circulated requests to the Board of Trustees of the British Boxer Indemnity Fund, and other organizations in charge of the Boxer returns from France, the United States and Belgium for a total contribution of $800,000.

While the groups in charge of the Boxer refund from Great Britain, France and Belgium have decided to take their share, the China Foundation in charge of the fund from the United States has thus far reached no decision on the matter.

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

Pan-American Trans-Pacific Air Service to Open in October

The trans-Pacific air service, which is to link California with China, is to be inaugurated in October this year if all goes according to the present plans of the Pan-American Airways. Bookings for the maiden voyages of the clipper planes have already reached the 75 mark. As outlined so far, the transoceanic trip will take four days, during which time passengers will be entertained with radio programs, games, and moving pictures.

Eurasia Plane Forced Down by Bad Weather in Kansu

The large passenger plane of the Eurasia Aviation Corporation after having been reported missing in the Northwest July 6, was located at Haiyuan, about 100 miles northeast of Lanchow, Kansu province, where it was forced down by bad weather. The pilot and passengers are reported to be safe. The plane, Eurasia No. 1, left Shanghai Wednesday last under the charge of a German pilot and carrying several passengers for the Northwest. It arrived safely at Sian, in central Shensi, and took off again for Lanchow on Thursday morning. The distance from Sian to Lanchow is approximately 325 miles and the plane should have arrived at its destination on Thursday afternoon. The Eurasia Corporation despatched another ship, No. 6, to search for the missing craft, but it did not reach Haiyuan, being forced back by weather conditions. In addition to the German pilot and co-pilot, the plane carried seven passengers, among whom was Loh Sanchan Sama's representative in Nanking.

Eurasia Aviation Corporation to Increase Capital to $7,500,000

With reference to the decision of the Eurasia Aviation Corporation to increase its capital to $7,500,000, it is understood that the Ministry of Communications and the German Luft-Hansa Aviation Company will increase their shares in the Corporation by $1,600,000 and $800,000 respectively. The capital of the Corporation, which is a Sino-German enterprise, is at present $5,100,000. Of this amount, two-thirds, or $3,400,000, are held by the Ministry of Communications and one-third, or $1,700,000, by the Luft-Hansa Company. In view of the need for expansion, the Board of Directors of the Eurasia Corporation has decided on increasing the capital by $2,400,000 thus bringing the total to $7,500,000.

Japanese Plan to Spend Yen 170,000,000 on Civic Aviation

The Tokyo *Kokumin* July 2 stated that the civil aviation expansion plan of the Japanese Communications Ministry at a cost of some Yen 170,000,000 has been completed and at the meeting on June 20 of the aeronautical enterprise commission a concrete scheme elaborated by the secretarial committee of the commission was decided on. Early in July the commission, meeting in a plenary session, will decide the definitive plan of recommendation to the Ministry, which in turn will negotiate with the Finance Ministry for budget appropriations.

Civil aviation in Japan, the *Kokumin* stated, is steadily progressing, favored by the establishment of new air routes and other contributory factors, but still in comparison with the major Powers of the world Japan's civil aviation ranks at the bottom of the scale and in the present international situation this state of affairs is considered a cause for apprehension.

The scope of the Ministry's aviation plan thus far adopted is as follows: Completion of internal airways and their expansion; establishment of regular international lines; training of aviators; control and encouragement of aircraft construction; encouragement of wider use of Japan-made planes; protection and subsidizing of aeronautical enterprises; aeronautical wireless installations; protection and subsidizing of airships. The plan covers a period of from 10 to 15 years at a cost of Yen 170,000,000.

Japanese Navy to Have Four New Air Corps Next Year

The Tokyo *Jiji* states that four new naval air corps will be inaugurated next year in accordance with the second supplementary program of the Japanese Navy, as a measure to strengthen the air defense of the Empire in response to the desperate efforts being made by the United States to establish airfields at Oafu, Hawaii, besides establishing air bases convertible into bases for military use at Midway, Guam and Wake, etc.

Of the four new air corps, formation of which was already started in accordance with the program, work has been progressing favorably, and the four air corps which will be established at Yokohama, Kisarazu (China prefecture), Maizuru and Shikaya (Kagoshima prefecture), will be formally inaugurated beginning next year and up to the autumn of 1936 in the order mentioned above.

The Yokohama and Kisarazu corps will be designed to attack the enemy from the Pacific, while the Maizuru corps is to be the first one of its kind facing the Japan Sea and designed to grasp the hegemony of the air over the Japan Sea. The Shikaya air corps will be used to defend the air over the South Pacific.

Nine Persons Injured in Dark Streets as Result of Air Maneuvers in Tokyo

Nine persons were injured by automobiles speeding without lights through pitch dark streets in Tokyo during the two-day war games which ended at 7.19 a.m. July 7 when the state of emergency was lifted (during which air bombers attacked the city in make-believe warfare). The "enemy" was repulsed in each instance. This was the third consecutive year in which these maneuvers have been held in the Japanese capital.

Soviets to Build 16 Giant Planes to Replace "Maxim Gorky"

The Soviet Government has decided to build sixteen planes of the same size and capacity as the *Maxim Gorky*, the largest plane in the world, which was totally destroyed, with a loss of 48 lives, when it crashed on May 18 following a collision in mid-air with another machine. Meanwhile, the Soviet Government has announced that, up to July 4, voluntary contributions among the working population to replace the wrecked air-liner already total 68,000,000 roubles.

New World Altitude Record by Soviet Flier

A new world record for altitude ascent without an oxygen device was established last week by Tkachuk, Soviet flier, who piloted his plane to an altitude of 8,371 meters.

Novosibirsk to Moscow in One Day by Air

The flight from Novsibirsk to Moscow, a distance of about 3000 kilometers, was accomplished in one day for the first time last week. Laponogov, pilot of the plane which made the trip, took off from Novosibirsk at 3 a.m. July 4 and landed in Moscow the same day at 9.20 p.m., making four stops enroute.

100 Meter Parachute Tower Being Constructed in Russia

A giant metal parachute tower, 112 meters high is being constructed by the Society for the Promotion of Self Defence and Agro-Chemical Industry of the USSR. The maximum height from which jumps will be made will be 100 meters. The foundation as well as the tower itself will be pentagonal in shape, which will permit five platforms to be built at different heights. The tower will be mechanized. In case of wind it will be possible to move it to an angle of from 1 degree to 360 degrees and to jump in the zone protected from the wind. Airplane cabins will be constructed on every platform, which will be built at heights of 25 meters, 40 meters, 60 meters, 80 meters and 100 meters. These cabins will make the jumpers feel as though they are jumping from an airplane. A lift, placed in the center of the building will carry the parachute jujmpers up to the platforms.

Projectors, signals, sirens, radio, telephone and other equipment will be placed on the top of the tower. In addition to being a parachute tower, it will also serve as a lighthouse or mooring mast for dirigibles.

The tower will be so illuminated that it will be seen for a radius of 30 kilometers.

I.S.S. Chinese Manager in Tienstion Ordered Detained

The Shantung Provincial Government has ordered the Tsingtao City Government to detain Chi Ching-piao, general manager of the International Savings Society's branch in Tsinan, the closing of which has caused a stir among the depositors, according to Chinese press despatches. Questioned about the closure at Tsinan, M. Speelman, a director of the I.S.S. in Shanghai, stated that the branch office had suspended owing to the enforcement of the new Chinese Criminal Code, which prohibits prize drawings by Chinese-operated institutions. M. Speelman added that the depositors need feel no anxiety about their money, which, he said, could be refunded either at Tsingtao or Tientsin or at any other I.S.S. branch office under foreign management.

Epargne Franco-Chinoise Transferred to Central Trust Bureau

The new Criminal Code went into effect last week and, in Shanghai, caused the transfer of L'Epargne Franco-Chinoise, 175 Canton Road, to the newly created Central Trust Bureau of the Ministry of Finance. L'Epargne Franco-Chinoise was founded in 1918 as a Sino-French institution, but was reorganized as a Chinese concern in 1926. The head office for China is in Peiping and for Kiangsu Province in Shanghai.

Hongkong & Shanghai Bank Reduces Dividends —Shares Drop in Value

A sensation has been caused in British financial circles by the fact that the Hongkong & Shanghai Bank has considerably reduced the amount of its usual dividend. As a result there has been a sharp drop in the value of its shares. London financial papers state that the reduced earnings of the bank reflect the bad business conditions in China.

THE GIST OF JAPANESE PRESS OPINION

The determination reached by Nanking, following several conferences, for the reorientation of Chinese policy towards Japan is welcome. China is thus determined to work for better understanding between the two countries. The best interests of both countries may best be served by doing away with any double dealing on the part of China.—*Tokyo Chugai.*

In view of the unusual restrictions to which Japan's exports are subject abroad, Japanese foreign trade returns for the first half of this year which record an increase over the same period of last year by Yen 375,000,000, indicate a very reassuring tendency. To maintain this tendency, Japan should keep in even closer contact with the world's business.—*Tokyo Osahi.*

The future of local politics depends in a large measure upon the possible result of the forthcoming Prefectural Assembly. And such result is expected to be tremendously influenced by the so-called political bosses or brokers. Unless and until these influences are removed, there can be no real reform of election practices.—*Tokyo Yomiuri.*

Japan is frequently visited by disasters. In the majority of such cases, the losses could have been minimized if proper precautions had been duly taken. Both the Government and people should seize the present opportunity to study effective preventive measures.—*Tokyo Jiji.*

Both the Seiyukai and Minseito appear determined to refrain from purchase of votes in the future elections in appreciation of the present nation-wide move for reform of elections. So far so good, but the question is how to attain the aim in view. Officials, citizens and candidates must all cooperate for that end.—*Tokyo Miyako.*

One satisfactory tendency of late is the growing enthusiasm to introduce Japan's culture abroad. Some critics here seem inclined to disparage such efforts from a linguistic standpoint, but the endeavors are nevertheless worth while despite all attendant difficulties.—*Tokyo Nichi Nichi.*

War Minister Hayashi is quite right in emphasizing as he did at the recent Cabinet council, the need of properly strengthening the Soviet-Manchu frontiers defence. But without denying that point we feel the absolute necessity for diplomatic operations towards Soviet-Japan understanding.—*Tokyo Yomiuri.*

The Home Office is endeavoring to purify elections, hoping for success of the forthcoming Prefectural Assembly to begin with. The best way to attain the aim in view is to convince policemen not to interfere in elections and to awaken citizens to their responsibility.—*Tokyo Miyako.*

The general advance of Japanese foreign trade must be a matter of congratulation in view of the adverse circumstances under which Japan has had to make her way into the foreign markets.—*Tokyo Jiji.*

The Sino-Japanese situation, which has been improving after agreement in principle to settle the North China incident, is once again strained because of the lese majeste case in Shanghai. Gen. Chiang Kai-shek must be expected to hold himself responsible.—*Osaka Mainichi.*

Shanghai Chinese Chamber Revival of Industry Committee Is Organized

The Committee for the Revival of Industry and Commerce, organized by the Shanghai City Chamber of Commerce to combat the acute business depression in this city, was formally inaugurated July 8. A total of 52 persons has been appointed members of the Committee.

Following a simple inaugural ceremony, the first meeting of the Committee was held under the chairmanship Mr. Wang Yen-sung, Chairman.

As a preliminary measure, it was decided that investigations should first be carried out by the Investigation Section on 40 lines of trade with a view to ascertaining the actual situation. On the basis of the report of the Investigation Section, statistical data will be compiled by the Statistics Section and suitable measures for rehabilitation and relief devised.

A manifesto issued by the Committee pointed out that due to the world economic depression and the domesic agricultural bankruptcy, the effects of which have been keenly felt since last year, an unprecedented economic crisis has befallen this country. As a measure of self-amelioration, the industrial and commercial leaders of this city have organized the Industrial and Commercial Revival Committee, in the hope that the depression may come to an early end and the former prosperity of this metropolis be restored at an early date.

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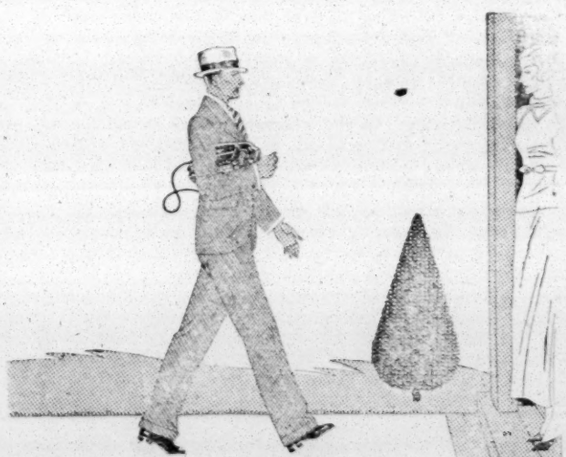

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Nanchang Streets Become Canals as Yangtsze Continues to Rise

The streets in Nanchang have been converted into veritable canals as a result of the continuous rise of the Yangtsze River. The flood waters levelled the city walls of Hsiushui, Muyuan and several other cities and breaches have occurred at many points in the Yunghsiu and Nanchang dykes. The flood condition in other parts of Kiangsi Province is equally serious. The Poyang Lake, which has been swollen on account of the excessive influx of water from the various rivers and streams has caused many breaches in the dykes at Hsinfeng, Yunghsiu, and several other cities, despite the strenuous efforts of the flood prevention workers.

Swelled by continual downpours early this week the Poyang Lake in north Kiangsi and the upper stream of the Kan River have overflown their banks, causing breaches at over 100 points of the river dykes. Refugees from all over Kiangsi are pouring into Nanchang, homeless and in dire need. The city presents a gloomy picture, with empty lots taken up by helpless flood victims. The most seriously affected districts are those surrounding the Poyang Lake. Vast expanses of land in that section are reported to be inundated, crops submerged and thousands of houses left vacant.

Low Parts of Hankow Flooded

Most of the low-lying streets in Hankow, Hanyang and Wuchang were under water July 9. All the land in the vicinity of the Kwang Hwa Petroleum Company and the Texas Oil Company was completely submerged. The areas outside the Changkung Dyke have been transformed into a lake. Sampans and junks are the only means of communication.

The watermark at Hankow stood at 48.9 ft. July 9. Trains on the Peiping-Hankow Railway had to suspend their services, as part of the tracks had been washed away by the flood waters.

With the water level rising rapidly the populace in Hankow became panic-stricken. Banks began to move their files and properties from the lower floors to the upper part of their buildings. In homes, the lower floors are being deserted for fear of sudden inundation.

Reports are pouring into Hankow of disastrous flood dangers in the cities both down and up the river from said city. The dyke at Chinchow has collapsed and the one at Shasi is in danger. In Wusueh water has covered most of the streets.

Twenty thousands workers, conscripted by the Wuhan authorities, are working to save the Wuwei dyke, one of the most important barriers against the rising Yangtze River. The dyke is reported to be in a precarious condition. Collapse of the dyke would mean a disaster to Wuchang, provincial capital of Hupeh, and eventually Hankow.

The penetration of the Yangtsze River waters through the neighboring dykes has resulted in the flooding of thousands of houses in Ichang, South-western Hupeh, and taken a heavy toll of human lives and livestook.

According to a telegram from Yang Szu-lien, Director of the Han River Engineering Bureau, who is on an inspection trip in western Hupeh, the King River is also rapidly gaining in height in the districts of Shasi, Kungan, Kingkiang.

In view of the steady rising of the Yangtsze River, the many shipping companies, including the China Merchant's Steam Navigation Company, San Peh Steam Navigation Company, Ningshao, Jardine-Matheson, Butterfield & Swire and N.K.K., notified their customers to remove their goods from the godowns at various points along the river so as to minimize risks of flooding.

Besides flooding the southern part of Hanyang, the swollen waters of the Yangtsze River overlapped the water-front of Wuchang City following a further rise of nine inches July 4. Feverish efforts were continued by the Hupeh Provincial Flood Prevention Committee to strengthen the embankments. Workmen were kept on day and night duty ready to fill any gaps in the Wutai Dyke.

The Han River Engineering Bureau despatched Chang Chia-sen, engineer, to supervise the completion of emergency work on the Wutsung Dyke surrounding Wuchang City from Chingshan to Peihushan, over a distance of 20 miles.

As the result of the torrential rain near Ichang July 5 the river rose eight feet to a record height of 50 feet and four inches, well above the highest recorded in the disastrous flood in 1931.

Over 100 junks and four steamers have been hired to transport earth and other necessary materials to the Huangpei Area, north of Hankow, for reinforcement of the dykes there.

Train service on the Peiping-Suiyuan Railway was interrupted July 6 when part of the track in eastern Suiyuan was washed away by the flood waters from adjacent mountain freshets following a rain-storm.

Kwangtung to Donate $100,000 Flood Aid

A resolution appropriating $100,000 for flood relief work in the inundated districts along the West River was passed by the Kwangtung provincial government at a meeting held in Canton July 7. It was also decided that the profits realized by government-owned factories should be applied to the promotion of industrial reconstruction, as laid down in the three-year plan.

C. I. F. R. C. 1934 Report States 10,000 Lives Were Lost in Yellow River Floods

A total of 10,000 persons were either reported drowned, frozen to death or missing as a result of the Yellow River floods in Hopei and Honan last year, according to the annual report of the executive secretary of the China International Famine Relief Commission, which was published last week.

The report further states that a total of 391 villages, occupying one-half of the total area of Chang-yuan Hsien, were flooded. The flood, it is pointed out, started in January when reports of fresh outbreaks were received. Another flood of the same river happened in August, while still other floods occurred in October, unique in the history of the Yellow River for their lateness. According to close observers, such a late flood has never been known within the memory of man.

The total losses to crops aggregated $528,920,000, according to the commission report, in the provinces of Anhwei, Chekiang and Kiangsu, while losses to Shantung, Honan, Hupeh, Hunan and Kiangsi amounted to $601,310,000, making a total for the eight provinces of $1,130,230,000.

Operations in Shantung and Honan began January 1 and were confined to work on farm rehabilitation in areas flooded by the Yellow River. In Kiangsi and Anhwei, on account of a serious drought during the summer and spring of the year, new work of organizing farm relief was undertaken. The government program of cooperation in North China, including Chahar, was carried out under the North China War District Relief Commission and later the North China Commission of Rural Cooperation, under the personal direction of Y. S. Djang, executive secretary, whose services were loaned to the government.

General conditions in Shensi during 1934 were very much improved, the report shows, but the farmers needed a helping hand at the work of rehabilitation. Complying with the request of T. V. Soong, a standing member of the N.E.C., Mr. Djang was loaned to the council for one year to organize the work in Shensi. In Hopei, co-operation during the year under review was characterized by vast strides of advance in the co-operative marketing of cotton. The commission's staff conference was called September 21 to 24, which formulated certain important principles and policies guiding the co-operative work of the commission. These principles, policies, etc., have been passed by the committee on rural co-operation and adopted by the executive committee.

Customs Informers Get 40 Percent, Witness Testifies in the British Court

Evidence was given in the British Police Court in Shanghai July 5 that the Chinese Maritime Customs pays "informers" 40 per cent of the value of contraband goods should their information lead to the confiscation of such goods through violation of Customs regulations. The case before the Court was that of the Chinese Maritime Customs against H. M. Gregory and F. R. Gabbott, the charge being " . . . importing diamonds into Shanghai . . . with intent to evade duty payable to the Chinese Government," to the approximate value of $300,000. Robert Raymond de Layarde Liesching, acting preventive deputy-commissioner of Customs in Shanghai, answering counsel for defendants, said there is no check at all on "ladies or other people" coming into Shanghai with diamond rings on their fingers, even though their hands may have been covered with gloves. "We do not, as a rule, search passengers from boats, but, of course, if a lady were a suspicious character she would be searched," he added. He said it is quite possible for people to bring in diamonds as their own personal property; that smuggling of diamonds and other matter has greatly increased because of the increase in tariff rates; that he thought, though it was difficult to say, that most of the diamonds seized in the raid had been smuggled; that he could not pick out which of the diamonds seized were smuggled because he was not an expert.

At the final hearing of the case July 8 the two defendants were discharged by the Court, which held that the prosecution had not proved that the two defendants had imported these diamonds or that they had been (as had been implied) guilty of smuggling them into the country. The Magistrate mentioned, however, that had the rules of evidence been such as applied in England, there would have been some case for the defence to answer, inasmuch as the onus would have been on them to show that the goods were not smuggled. The Magistrate ordered the diamonds held in the custody of the court until the return to China of Mr. Ipekdjian, who was stated to be the owner of the China Diamond Cutting Works, from whose office the diamonds were originally seized.

Who's Who in China

沈宗瀚

Shen Tsung-han

Shen Tsung-han, agricultural expert and Government official; born at Yu-yao, Chekiang, 1895; graduated from Peking Government College of Agriculture, 1918; received M.S.A. degree from State University of Georgia, U.S.A., 1924, and Ph.D. degree from New York State College of Agriculture and Forestry of Cornell University, 1927; Research Fellow of International Education Board of Rockefeller Foundation, 1926-27; member of Sigma Xi, Cornell; Professor of Plant Breeding, University of Nanking, 1927 to present; and Chief Technician, National Agricultural Research Bureau of Ministry of Industry, 1934 to present; appointed by Chinese Government as delegate to Pan-Pacific Science Congresses, 1926, 1929, and 1933; made official visit to England and Europe to study agricultural improvement, summer of 1933; member of several Government committees on agriculture since 1928; author of over thirty technical papers published in research journals of United States, Canada, and China; address: University of Nanking or National Agricultural Research Bureau, Shaolingwei, Nanking.

沈宗瀚，生於西歷一八九五年，籍隸浙江餘姚。民國七年，畢業於北京國立農業專門學校。民國十三年得美國喬其亞州立大學農學碩士學位。民國十六年，得美國康乃爾大學農學博士學位。并被選爲美國 Sigma Xi 榮譽學會會員。民國十五年及十六年，被選爲世界教育會(洛氏基金)研究員，并得研究獎金。民國十六年起，任南京金陵大學農學院作物育種學教授；其間曾兼任該院農藝系主任三年（二十年—二十三年）。二十三年起，并任實業部簡任技正，及實業部中央農業實驗所總技師，兼農藝系主任。現乃繼續担任以上各職務。又自民國十七年起，歷次兼任中央政府暨江，浙，魯，鄂，豫，閩等省政府，各種農業委員會委員，及關於農業之設計指導事宜。民國十五年，十八年，及二十二年，由教育部任命出席太平洋科學會議。民國二十二年，往歐洲考察農業改良狀況。中英文專門著作，計有：改良品種以增進中國之糧食，小麥抗線虫病之遺傳研究，雜交小麥對於桿黑粉病之抵抗遺傳，及水稻直播與移栽比較試驗等，三十餘篇；發表於中，美，加拿大，各著名雜誌中。通訊處：南京孝陵衛中央農業實驗所

Miss Soumay Tcheng Acquitted of Embezzlement Charge

The Nanking District Court has issued a ruling, completely exonerating Miss Soumay Tcheng, the well-known Chinese woman jurist and formerly President of the Shanghai District Court, of any suspicion of embezzlement during her tenure of office. Simultaneously with the announcement of the Court order acquiting her of the charge, it is learned that Miss Tcheng who has been in Europe for the past two years studying conditions, is returning to China shortly and due in Shanghai in the latter part of September.

Miss Tcheng, while serving as President of the Shanghai District Court during the years of 1928 and 1930, was allegeldy implicated in the irregularities in the accounts of the Court. Upon discovery, the responsible Court accountant escaped during the absence of Miss Tcheng, while she was in Nanking attending to her duties as member of the Legislative Yuan. Later the Control Yuan instituted impeachment proceedings against her and the case was transferred to the Nanking District Court for trial. On account of Miss Tcheng's absence from China, the case never came up before the court for trial and subsequent investigations revealed that she was completely innocent of the charge. Accordingly, the Court has issued an order, freeing her from any suspicion and revoking the order demanding her presence at the Court.

Miss Tcheng is one of the best known woman leaders in China and claims the distinction of being the first woman to receive a degree of Doctor of Laws from Paris University. She actively participated in revolutionary movements before 1911 and secreted bombs in her person from Tientsin in to Peiping, then Peking, for the assasination of the Manchu Regent. She is also the first woman lawyer in China.

CUSTOMS NOTIFICATION

No. 1453

With reference to Customs Notification No. 1385 of the 21st September, 1934, notifying the public, *inter alia*, that chlorine may be imported without any restriction provided satisfactory evidence is produced to show that it is solely for use by local waterworks in the purification of water, the public is hereby notified that, in accordance with Government instructions, all importations and coastwise movements of chlorine, no matter for what purpose they are required, must in future be covered by National Government Huchao before release is granted by the Customs, in the same way as other munitions of war.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 5th July, 1935.

CUSTOMS NOTIFICATION No. 1454

With reference to previous Notifications concerning the export of silver, the public is hereby notified that the Government have issued an order announcing that the smuggling of silver is to be treated as an offence against the Emergency Law governing the punishment of persons endangering the Republic, and that accordingly persons who smuggle silver dollars or other forms of silver abroad or to places where standard dollars are not current shall be punished by death, or life imprisonment, or a term of imprisonment exceeding five years, and, in addition, shall be liable to a fine of five times the value of the silver smuggled. Offenders when arrested will be handed over to the local courts for punishment.

H. O. Tong,
Superintendent of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 8th July, 1935.

Men and Events

Capt. Torao Kuwahara, new assistant naval attache to the Japanese Embassy in Peiping, arrived in the former capital from Tokyo June 4.

Kitoshi Tsutsui, chief of the intelligence and information section of the Japanese Embassy in Manchukuo, arrived in Peiping this week on the first stage of a month's visit to various parts of China.

Sir Skinner Turner, who was Judge of the British Supreme Court for China from 1921 to 1927, died July 6 in a nursing home at Winchester, England. Sir Skinner celebrated his 67th birthday on June 2.

Vivian B. Bowden has been appointed Australian Trade Commissioner to China by the Australian Government. Other appointments are E. E. Longfield Lloyd to Japan, and C. E. Critchley to the Netherlands East Indies.

More than 3,000 workers of the K.M.A. mines at Machiakow, Hopei, declared a strike at July 7 as a protest against the increase of working hours. The mines are guarded by police. Two suspected labor agitators were arrested at Kaiping.

Rev. Alexander Baxter, who for over twenty years was a worker in the London Missionary Society field in South China and is now the Secretary of the China Council of that organization, occupied the pulpit of the Shanghai Community Church July 7.

George J. McCarthy, Oriental Passenger Traffic Manager of the Dollar Steamship Lines, returned to Shanghai July 5 on board the s.s. *President Pierce* after a five months' tour of inspection, in Indo-China, Siam, Straits Settlements, Ceylon, India, and Burma.

To relieve congestion in the prisons throughout the country, a set of Provisional Regulations providing for the conditional release of prisoners who have served a portion of their sentence and have shown good behaviour and repentance while in prison, was adopted by the Legislative Yuan July 6.

A *Rengo* despatch from Seoul June 27 stated that several booklets reported to be strongly anti-Japanese were mailed recently to the Chinese Consulate at Shingishu, near the Manchukuo frontier. The booklets are alleged to have been published and circulated by the Foreign Office at Nanking.

When Shanghai Foreign Settlement Police July 9 raided a building formerly used as a brass foundry on Point Road, Yangtzepoo, they found an elaborate counterfeiting plant, complete with stamping and cutting machines, dies, silver ingots, silver strips and a considerable number of finished counterfeit dollars. Ten persons were arrested.

The results of the examinations among employees of the Central, Provincial and City Party, Headquarters seeking to enter the judicial service were announced in Nanking June 2. Of the 149 successful candidates, two are women. 126 candidates qualified for service as Court officials, 9 as judges, 8 as recording officials and 6 as prison officers.

The U. S. S. *Augusta* will remain in the Far East for the present. Previous announcements from Washington stated that the U.S.S. *Omaha*, a smaller vessel, would replace the *Augusta*. Rear-Admiral O. G. Murphin, who will succeed Rear Admiral Frank B. Upham as commander-in-chief of the Asiatic Fleet, will leave Washington Sept. 9 for the Orient.

King George received Quo Tai-chi at Buckingham Palace, on the latter's elevation as Chinese Ambassador in London July 9. Mr. Quo was accompanied by Dr. Chen Wei-ching, Counsellor of the Chinese Embassy, Tsen Yeo-chu, Chinese Naval Attache, and three other members of the Chinese Embassy, in the drive to Buckingham Palace, in carriages furnished by the British Government.

Japanese and Chinese authorities on engineering will meet in a Far Eastern Engineering Congress to be convoked in Peiping and in Shanghai in October, a special dispatch to the Tokyo *Nichi-Nichi*, from Peiping dated July 6 stated. Japan will be represented by a delegation of twenty experts headed by Dr. Aikitsu Tanakatate, Professor Emeritus of the Tokyo Imperial University, according to the dispatch.

Formal judicial proceedings were instituted at Hankow July 5 by the Procurator of the Hupeh Provincial High Court against Yuan Shu, communist suspect, who was arrested at Shanghai two months ago in connection with the apprehension of "Mr. X," or Joseph Walden, unidentified foreigner, by the Shanghai International Settlement police. Yuan is charged with propagation of doctrines contrary to the "Three People's Principles," or *San Min Chu I*.

Miss Butterfly Wu, prominent Chinese motion picture actress, arrived in Shanghai July 9 on the s.s. *President McKinley* following a tour of Russia, Germany, France, England, Switzerland and Italy. She was accompanied by Chow Chien-yung, one of the exccutives of the Star Motion Picture Company, and Mrs. Chow. The entire staff of the Star Motion Picture Company, under whose banner she worked, and prominent screen figures were on hand to greet Miss Wu on her arrival.

Black & White Photographic Society Holds Exhibition in Shanghai

Photographic art in China is of recent birth. Among those who have been classified as artists, Dr. T. C. Lu Siefug, Messrs Chen Chuan-Lin, Candie K. T. Nieh, etc. are in the front rank. For the purpose of promoting the Art of Photography in China and making it as popular as painting, drawing, sculptoring, etc., enthusiastic Chinese amateur cameramen called a meeting in January, 1930, and founded the "Black and White Photographic Society of China". For the first two years of its existence, the Society worked hard but did not hold any open exhibition until January 1932. In spite of the general crisis caused by the Sino-Japanese trouble just after the close of its first show, the members of the Society have not slackened their efforts in promoting its activities and fostering its development. There was no public display in 1933, because of the current depression.

Through the untiring energies of the Executive Committee and of the members, the year 1934 marked a new epoch in the short existence of the Society, culminating in a successful (the second) exhibition of 248 pictures and the publication of an Album, "Black and White Pictorialist," containing 83 reproductions thereform. All exhibitors taking part in this show are members of the Society, as stipulated in the prospectus.

With a membership of 89 this year, the Society is now able to maintain a clubhouse, which occupies part of the ground floor in Dr. K. C. Lu Siefug's residence at No. 485 Race Course Road, Shanghai, and is generously supported by him. July 6 witnessed the inauguration of the Society's third annual exhibition of 268 pictures which will be hung until July 14 in the Continental Emporium Building on Nanking Road, Shanghai. In this show are presented portraits, landscapes, plants, animals, birds, scenes of Chinese life. All are treated with the same taste and in a manner as permanent and as lasting as poets and painters achieve.

As a souvenir of this salon, the Society has published their second album, "Black and White Pictorialist," comprising a fine collection of 80 pictures reproduced on good paper. It is sold at two dollars a volume.

Punitive Drive Anniversary Meeting Marred by Mob Incident

The ninth anniversary of the launching of the Anti-Northern Punitive drive was marred by a riot created by a mob of more than 200 men at the premises of the Seamen's Kuomintang Bureau July 9. The riot was quelled by the intervention of agents from both the Bureau of Public Safety and Peace Preservation Corps, who arrested more than 60 rioters and dispersed others.

The mob first invaded the premises of the Union near West Gate, Nantao, at 9 o'clock in the morning when the union was just holding a meeting celebrating the ninth anniversary of the Anti-Northern Punitive Campaign. Shouting that they had received orders to take over the control of the seamen's organization, the men broke into the meeting hall from all corners. Officials of the headquarters, who were holding a meeting, tried to calm them down, but the crowd kept on shouting. The shouting was soon followed by exchange of blows and, climaxing the trouble, the men broke all the furniture in the hall.

Dr. C. T. Wang in Peiping-Pukow Express Wreck

The Peiping-Pukow express, which was due to arrive in Peiping July 7 at 8.10 o'clock in the morning, was derailed at Weishanchwang, 15 miles from Peiping. Four Chinese third-class passengers were seriously injured, while the locomotive and two of the third-class coaches were completely wrecked. The passengers, among whom was Dr. C. T. Wang, former Minister of Foreign Affairs, were transferred to the north-bound Peiping-Mukden railway train which arrived in the former capital five hours after the accident. The only foreigner aboard the train was A. P. Friedlander, the Peiping correspondent of the Shanghai *Zaria*, who boarded the train at Tientsin. The accident is attributed to the carelessness of a signalman.

Judgment Reserved in P.U.M.C. Case

The action brought in the U. S. Court for China in Peiping, by Harry Raider, a well-known Tientsin resident, against the Peiping Union Medical College, was concluded July 9 when Judge Helmick announced that he would render his decision as soon as possible. Mr. Raider claims G.100,000 and costs, alleging negligence and incompetence when his wife was in the hospital under treatment for cancer.

Judge Helmick then proceeded to Tientsin, where several cases are being tried. He does not expect to return to Shanghai until all the cases have been concluded.

Leonard Husar, Former U.S. District Attorney, Almost Murdered in Los Angeles

Leonard Husar, former United States District Attorney for China, was stabbed in Los Angeles, California, July 8 by Morris Furchman, an opera student. Furchman stood behind a pillar in a corridor of the City Hall building and stabbed Husar in the back with an ice pick. Husar had recently received an appointment as deputy City Attorney in Los Angeles. In a statement to the police Furchman said that he had been waiting for three years "to get Husar." "That man," he said, pointing to his victim, "called my father a name once. Now I am glad it's over." First reports indicated that Mr. Husar would die, but later telegrams said he would recover.

Mr. Husar served as U.S. District Attorney in Shanghai from 1922 to 1926, his period of office terminating when he was convicted on a charge of disposing of a Government document in the case in which one A. M. T. Woodward had been tried in an American consular court in Persia on a charge of shipping opium from Persia and had been fined. The record of the case was brought to the American Consulate-General in Shanghai. Mr. Husar was subsequently convicted of having sold this record to Mr. Woodward for U.S.$25,000.

How the Police in Three Shanghai Areas Co-operated to Find a Stolen Bicycle

Whatever faults the Police of the Shanghai area may have, and what we say applies about equally to the Police in the Foreign, the French or the Chinese jurisdictions, there is one thing to be said in their favor. They act promptly, even in small matters. For example, a bicycle that was reported stolen from inside the *Shanghai Times* building shortly after noon June 10, was returned to its owner in the French Concession in 24 hours. The bicycle was found at Pootung, and the Police of the three districts all shared in the work. Because the theft took place in the International Settlement the report was first made to the Central Station in Foochow road. Within half an hour a detective from Central made two visits to the premises to investigate. In the meantime the Police of the French and Chinese areas were notified. So, the International Police issued the notification, the Chinese Police did the locating, and the French Police notified the owner that his property had been recovered.

Death and Devastation Caused by Floods in N. Y. and Cloudbursts in Montana

Thirty-six persons were drowned and eight are missing, highways were inundated to a depth of four to six feet, bridges and dams were destroyed, and crops ruined by disastrous floods which submerged large areas in New York State following torrential rains early this week. A further 24 persons are reported to have been killed and 400 injured as the outcome of two cloudbursts near Wheeler, Montana.

John D. Rockefeller Celebrates 96th Birthday

John D. Rockefeller celebrated his 96th birthday at his estate in Lakewood, N. J. July 7. His principal companion was the four-year-old daughter of his chauffeur.

Heat Wave Strikes Middle West

Temperatures touched 100 degrees in many cities of the Middle West and south-west of the U. S. July 8.

WIN THROUGH THE DEPR SSION!

Hope is the key-note of nations, of individuals too,
In these days of general depression,
One and all hoping for better days to come.
The greatest ally of hope is good health.

If you are ailing little troubles are magnified,
You are consumed with worry and fears for the future.
But if you are well and strong, then
Nothing seems so bad that it might not be worse,
Nothing so good that it cannot be better.
In short, your outlook on life is one of optimism.

Good health depends on the condition of the blood;
it must be rich, red and plentiful, such as is made
By Dr. Willams' Pink Pills,
The world's most famous blood and nerve tonic.

Their fifty-year old reputation is your guarantee
That Dr. Williams' Pink Pills will surely do you good,
If you are anaemic, weak, nervous, despondent.
They are sold by chemists everywhere.

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Delicious and Refreshing

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In the United States Court for China

POLINA KREISCHER, by the first marriage FEDOROVO born RZERBENAZE Plaintiff, vs. CHARLES WALTER KREISCHER Defendant.	Cause No. 3889 Civil No. 1824 ORDER Filed at Shanghai, China June 22, 1935. William T. Collins, Clerk, L. T. Kenake, Asst. clerk.

The object of this suit is an action for Divorce:

WHEREAS, plaintiff herein, by her attorneys, has this 22nd day of June, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 22nd day of June, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 21st day of June, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since the last five year, and that defendant's last known address was Norfolk, Virginia, U. S. A.

NOW, THEREFORE, it is this 22nd day of June, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 13th day of July, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 22nd day of June, 1935.

MILTON J. HELMICK,

Judge.

SILVER AND PRICES IN CHINA

Report of the Committee for the Study of Silver Values and Commodity Prices, Ministry of Industries

Price, $2.80

This is the report of a committee created by the Ministry of Industries for examining the relationships between Silver Values and Commodity Prices, a grave problem now confronting China. The scope of the study is well summarized in the Letter of Ttransmittal submitted to the Minister by Dr. Leonard Shih-lien Hsu, chairman of the committee, reading: "The discussion of the report includes mainly the relation of silver value to the general prices in China, influence of non-monetary factors on the general price level in China, past and present trends in the value of silver and economic effects of declining prices in China, with a brief examination of the possible methods of controlling the value of money in China." Throughout the book, topics for discussion are substantiated with statistical data of seventy-three tables and seventy figures.

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An Illustrated Industrial, Commercial and Political Review

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1935

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New Books of Interest in the Far East

A Japanese Christian Extends His Love

Christ and Japan. By Toyohiko Kagawa. Translated by William Axling. Friendship Press, New York. 1934.

This little book, like Kagawa himself, is a peculiar mixture of insight and blindness, of information and misinformation, of sincerity and pretence, of reason and superstition. On the one hand, he describes with realism and understanding the living conditions of the mass of the Japanese people, workers and peasants. Further, he points out that "the only way to bring harmony into this human beehive is "by recognizing and emphasizing the creative possibilities of the co-operative movement"—a "conscious uniting of forces and a cohesion without coercion, such as characterize the co-operative movement, and the placing of production, exchange, distribution and consumption upon a non-exploitative basis." (He—or his translator—avoids the word "Socialism.") Not only is "a solidarity founded on a full sense of mutual love as between man and man the whole world round . . . . an absolutely essential condition for the realization of world peace," but "the most effective means of attaining this goal is actually to realize Christ's love in the realm of economics and, as far as possible, unite the sundered peoples through co-operative love. If we turn our backs on protective tariffs and free trade and carry on world commerce on a co-operative basis, this mutual intercourse will bring the various peoples together in peace."

Kagawa tells us that Japan's "militarism had its rise with professional patriots. The Japanese people as a whole are not responsible. Ninety-nine per cent of the intelligentsia of Japan were opposed to what happened in Manchuria on September 18, 1931. A section of the military men is trying to stir up the waves of Fascism. The people as a whole, however, are not espousing their cause. It is difficult, indeed, for foreigners to sense the discontent which exists beneath the present-day surface phenomenon. The people may be dragged along to unavoidable limits, but when those who are manipulating the situation reach an impasse an explosion will certainly occur. The masses are by no means war-minded."

Kagawa questions, with excellent economics and sound reasoning, "just how much Manchuria is going to benefit Japan." He points out that since 1905 "the Japanese had an opportunity of free economic expansion in Manchuria," but only 170,000 migrated to that area down to 1932 and any large-scale emigration from Japan is doubtful: "From the capitalist's point of view the question will inevitably arise, 'Why employ expensive Japanese labor in Manchuria when Chinese coolies can be secured for one-sixth their wage.'

"With these facts in mind one's imagination presents the following possibility. Japan's capital will be poured into Manchuria. An ever-increasing number of Chinese coolies will be recruited from Shantung province. Manchuria will prosper and the Chinese population will grow with such accelerating speed that in some future day Japan will be forced to withdraw. By the time Japan has invested ten times the two billions of money she has already expended in Manchuria, she will run the risk of losing her hold on that region."

Kagawa mentions, interestingly, the old Japanese kyokakudo—a genuine code of chivalry,in contrast to the fraudulent "Bushido" which the notorious Inazo Nitobe invented and foisted upon gullible foreigners as "the code of Japan." Kyokakudo is all too little known to the West,though some tales of the *otokodate* of Yedo (who most truly exemplified this noble and beautiful code) have been translated into English, notably in Mitford's "Tales of Old Japan." Kagawa remarks that "during the three hundred years of the Tokugawa regime the forces which resisted the Shogunate and its samurai followers were those among the common people who had adopted the code of chivalry. This group intuitively developed the proletarian morality of protecting the weak and suppressing the strong . . . . In the fiction in vogue among the masses the tales of kyokakudo enjoy a far greater popularity than the exploits of the samurai."

Kagawa has a most striking interpretation of the influence of Christian ideas in Japan, from which it would appear that the Shinto state religion of Japan, centering around the Emperor as God, draws its ideology, and the conception of the earth-born son of God, from Christianity. The Shinto revival of the eighteenth century, the greatest ideological force leading to the Restoration, "was greatly influenced by the theology of the Roman Catholic Church and the philosophical conception of theocracy imported from Holland. Such predominant figures as Atsutane Hirata looked upon the ruler of Japan as the unique son of the God of heaven and earth, while Shinyen Sato, a famous scholar, identified the God of Christianity with the Ame-no-Minaka-Nushi of the Nihongi." The Tokugawa Shogunate had to give way to the Emperor, "the true son of god." It was "the conception of a god-destined nation that produced the Meiji Restoration." And when, following the Restoration, Shinto was definitely organized as a state religion with Emperor-worship as its main centre, the assistance given by Christianity was even more pronounced. Shinto had. Kagawa

states, "no system of theology. Whatever theological content it possesses has been largely borrowed from Christianity. The various sects of Shinto . . . . have all been greatly influenced by Christian ideas and ideals." Western Christians have not been accustomed to think of the present-day Japanese conception of the Son of God, as personified in the Emperor, as having been derived from Christian sources, but there is much logic in Kagawa's interpretation, especially when it is recalled that the establishment of the Shinto State Church (dealt with by Chamberlain in "The Invention of a New Religion") did not take place until the end of the nineteenth century, when Christian ideas had been widely diffused in Japan and were easily accessible to all.

With all the foregoing, however, Kagawa manages to combine some extraordinary absurdities, misstatements and contradictions. He tells us that "for more than two thousand and five hundred years Japan has maintained the same Imperial line," though the Japanese in fact did not even possess written records down to sixteen centuries ago and there is only legend prior to that time. He declares on page 3 that "the cruelties which for three hundred years characterized the persecutions (of Christians) under the Tokugawa Shogunate can hardly be paralleled in the history of mankind," but on page 27 he asserts that "there are very few records of cruelty in Japanese history. Even when taking human life the Japanese detest brutal methods." He says that the first Japanese labor union "was not organized until 1921," though in fact a railwaymen's union was formed in 1898 and there was a railway strike in 1899, while trade unions began to be formed legally and openly from the end of 1918. Also, "the plot of the anarchist Denjiro Kotoku to assassinate Emperor Meiji" was not in 1907, as Kagawa states, but in 1910.

In dealing with Japan's most urgent problem of overpopulation, Kagawa descends to absolute absurdity. Taking the Old Testament as an agricultural textbook, he declares: "God promised Abraham a land flowing with milk and honey. Not only so, a study of what the Bible teaches regarding methods of agriculture leads to the inevitable conclusion that wherever the gospel is proclaimed the land should flow with milk and honey . . . . . No matter how lean the land, goat-keeping and bee-culture will turn even Japan, with its lava-laden soil, into a land of milk and honey." Elsewhere, however, he asserts that "the food problem would be solved if horticulture and tree-crop cultivation on the mountain slopes were properly developed." Nextly, if the Japanese "eat less rice and more wheat and other cereals, there is still hope." Furthermore, for some reason "it is imperative that the Western powers, which have monopolized the earth's surface and are pursuing a policy of starving out over-populated nations, examine their souls, reflect on their self-centred conduct, and repent of their ways." (Though why they should do so is not clear, if all that Japan needs is to follow the Bible's agricultural instructions.) In any case, however, "the God who feeds the sparrow, will he not feed our people?" To which Kagawa himself gives no answer, but judging from conditions in famine-stricken northern Japan in recent years, the reply would seem to be in the negative.

Even with regard to the all-important co-operative movement, Kagawa drags in his religious obsessions: "No matter what form co-operatives may take, unless they are motivated by the redemptive love of Christ there is little hope of their success!"

Kagawa, who is himself—intermittently—a Japanese Government official of some influence, asks: "What is the meaning and significance of the fact that of the thirteen ministers in the Cabinet of Premier M. Saito that took office in May, 1932, seven had Christian wives, and that one of the ministers was himself an avowed Christian?" Once more Kagawa fails to answer his own question, and the only "meaning and significance" which seems evident is that the Christians of Japan can work for Militarism and Mammon quite as zealously as Christians elsewhere. It should be noted, by the way, that both Catholic and Protestant churches in Japan have condemned (and gotten into trouble about) homage at Shinto shrines, which is expected of all loyal Japanese and particularly of Government officials. Kagawa tells us frankly that he himself removes his hat and bows in reverence at the Imperial and other shrines, and there can be no doubt that Cabinet ministers and their wives are equally dutiful, so that some missionaries might question whether such worshippers are Christian at all.

Kagawa extends a welcome: "Send us your love. Send us men to incarnate that love . . . Let love-impelled organizations furnish support for workers . . . Particularly, if there are those who feel called to organize Christian co-operatives, let them come as messengers of love to teach us internationalism..." Kagawa should add (but does not) that he will try to keep the Japanese police fully informed of the history and activities of any such love-impelled visitors. It is notorious that Kagawa has aided the deportation of at least one devoted friend of Japan—an American journalist who met, liked, and admired Kagawa, and made some highly laudatory comments upon him in published articles. He was so indiscreet, however, as to tell his "friend" Kagawa of some of his own labor activities in former years, which information Kagawa faithfully reported to the police, who obtained the deportation of the foreigner. Love-impelled foreigners coming to Japan as social, labor, or co-operative workers, or "to teach internationalism," would be well advised to steer clear of Mr. Kagawa—if they wish to remain in Japan long. H. H.

In the United States Court for China

In re.
LAST WILL AND TESTAMENT of JAMES RICHARD WILKINSON Deceased

Cause No. 3886
S. P. No. 1024
NOTICE
Filed at Shanghai, China June 19, 1935.
William T. Collins, Clerk of the United States Court for China
L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JAMES RICHARD WILKINSON, deceased, to present the same with vouchers to the undersigned on or before December 22, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

ANNIE B. WILKINSON
Wilkinson Hospital,
Soochow, China.

Shanghai, China
June 19, 1935.

In the United States Court for China

In re.
Estate of ANNA KRATZER, Deceased

Cause No. 3890
Special Proceedings No. 1025.
NOTICE
Filed at Shanghai, China, June 24, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ANNA KRATZER, deceased, to present the same with vouchers to the undersigned on or before December 29, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

HERBERT M. GRIFFIN,
Special Administrator,
c/o China Inland Mission,
Shanghai, China.

Shanghai, China.

Song o' the Sea Dog

BY WALLACE V. MACKAY

I've seen many a trip
Since the old clipper ship
Was queen o' the boundin' main
From Liverpool down to Melbourne
To Shanghai and back again.

I've seen harbors and ships
And I've raised to my lips
Every native drink ever distilled;
Been thru shipwreck in blizzard,
Been froze to the gizzard,
Or roasted in climates that killed.

And I've seen my flag furled
In all ports o' the world,
And 'tis hard to say which has my favor,
'Cause the blessin's and curses,
The "bests" and the "worses"
Are 'cordin' to pref'rence or flavor.

God mixed 'em all up
Right in Destiny's cup
And He divvied 'em up pretty well,
From the thirsty baked sands
O' some hellishin' lands
To the ice that makes sailin' a hell.

So all in all, sailor,
You'll find as a rule
God mixed the bad things with the best,
With the punk and the nifty
Split about fifty-fifty,
EXCEPTIN' one port on the West—

Where the best U.S. trains
Meet the maritime lanes
Linkin' East to the West o'er the wave,
There you'll notice that Neptune
Took extra good pains
To narrow the ocean - - - - - to SAVE.

Ere he watched Tempus Fugit
He planned there on Puget
A queen of a great inland sea;
Not a harbor, but scores!
And he set on their shores
ALL the makin's o' greatness to be.

Nature gave her best climate,
Great mountains and lakes;
She gave Power and verdure and vigor
And beauty and wealth. And she
Gave what it takes
To grow bigger and bigger and BIGGER - - - -

To give hell and perdition
To Coast competition
With all their praise-singers and psalmers.
You can bet your gum boots
That God worked in cahoots
With the Seattle Chamber of Commerce.

Seattle, June. 9 1935.

Another Municipal Middle School for Girls to Be Established in Peiping

The Peiping Municipal Government has raised a sum of $80,000 for promotion of mass education in Peiping during the 24 fiscal year (July 1, 1935-June 30, 1936). According to a previous arrangement with the Ministry of Education, a sum of $150,000 was to be devoted to this work. Of this sum, $80,000 is to be appropriated by the Peiping Municipal Government, and $70,000 by the Ministry. However, the Ministry has recently decided to reduce its grant to $40,000. With the prohibition of co-education in middle achools in Peiping, Mayor Yuan Liang states that another Municipal Middle School for girls will be established to accommodate 800 girls who formerly studied in co-educational schools.

Universities In Szechuen To Be Reorganized

With a view to bringing the educational standard in West China to the same level as that in the more advanced provinces, a partial reorganization of the institutions of higher learning in Szechuen Province has been decided upon by the Ministry of Education.

According to the instructions sent to the Szechuen Department of Education, a College of Agriculture is to be added to the National University of Szechuen while its four schools of Natural Science, Education, Economics, and of Political Science, are to be combined into two schools as grouped above. Its school of Liberal Arts is to be maintained in its old status.

The University of Chungking is to be changed to a provincial institution and its Schools of Liberal Arts and Agriculture are to be abolished. Students of the two abolished schools are to be transferred to the National University of Szechuen. The University of Chungking is to establish two new schools, namely Natural Science and Technology, with its original departments of Mathematics and Natural Science to be incorporated into the new School of Natural Science. The School of Technology is to have three departments, namely Civil, Metallurgical and Electrical Engineering.

Peiping Railway College Ordered to Suspend Enrollment of New Pupils

On the ground that the Railway College, a private institution in Peiping, has neglected the instructions of the Ministry of Education to carry out improvements in its administration, the College was ordered July 5 by the Ministry to suspend enrollment of new students for the new academic year. The College is also required to introduce the reforms ordered within one year failing which, the Ministry warns, the institution will be closed down.

Shanghai Bus Company Ordered to Abate Smoke Nuisance

The Municipal Council has notified the China General Omnibus Co. that a period of three months will be allowed in which to effect a clean exhaust from the Company's vehicles. The Commissioner of Public Works, at whose instance the Council took action, stated that this nuisance was caused by the type of fuel used, and that only by the use of a higher grade of fuel oil could complete abatement be effected. He stated that the difficulties of providing a clean exhaust were accentuated when the bus engine was cold. The use of higher grade fuel would result in greatly increased costs to the Company.

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Latest New York Stock Exchange Quotations

July 10, 1935
Business Done:-
Total Volume: 1,350,000 Shares

1934-35 High	1934-35 Low	Div. $ per sh.	STOCKS	Last Sale July 8	Last Sale July 9
144	90¼	4.00	American Can		
22½	14⅝	0.40	Amer. Cyanamid "B"	141¾	140
13¾	2	—	American & For. Power	22¼	22¼
51¼	30¼	—	American Smelting	4⅜	4¼
130	99¼	9.00	American Tel. & Tel.	41⅞	42½
97¼	67	5.00	American Tobacco "B"	129½	129¾
27⅝	7¼	0.80	American Waterworks	97¼	98½
17⅞	8	—	Anaconda Copper	11⅜	11⅜
73¾	36⅜	2.00	Atchison, T. & S. Fe	14¾	15¼
57⅜	15	—	Auburn	48⅝	49¼
34½	7⅞	—	Baltimore & Ohio	23⅞	23
49½	22½	—	Bethlehem Steel	10¾	10⅞
11¼	6⅛	—	Boeing Airplane Co.,	30⅝	30¼
42	16½	1.50	Borg Warner	8½	8½
18¼	9⅞	—	Canadian Pacific Railway	41¾	41
88¾	35	—	Case, J. I.	9⅞	10
49⅞	23	1.00	Caterpillar Tr.	59½	58½
40¾	15⅞	1.40	Chase National Bank	49⅞	49¾
48¾	37⅛	2.80	Chesapeake & Ohio	29⅛	29½
49⅞	34	3.00	Chesapeake Corp.	44	44¼
60⅝	29¼	1.00	Chrysler	42	42
19¼	3¾	—	Columbia Gas & Electric	52	52½
36¾	15⅝	0.60	Coml. Solvents	8	7⅝
3¾	0⅝	—	Commonwealth & Southern (ord.)	20½	20
47⅝	16¼	1.00	Consolidated Gas of N. Y.	1⅝	1¾
14¼	6½	0.28	Consolidated Oil	26⅜	26⅝
23	15¾	0.50	Continental Oil	8¼	8¼
84½	55¼	3.00	Corn Products	21¼	21¼
28½	14½	—	Douglas Aircraft	77¼	78¼
105¾	80	2.60	Du Pont de Nemours	25⅝	25¼
23½	3¾	—	Electric Bond & Share	105¾	104¾
17½	8¼	—	Fox Film "A"	9¼	9⅜
26⅜	16⅞	0.60	General Electric	15½	16
37½	28	1.80	General Foods	26⅜	26¾
42	24⅝	1.00	General Motors	37	37
45¾	13¾	1.00	Gen. Railway Signal	34¼	34
23	14½	1.20	Gold Dust	30	30¾
41⅝	16	—	Goodyear Tire & Rubber	17¼	16¾
60	33¼	—	Humble Oil	19⅝	20¼
29¼	21	0.60	International Nickel	58¼	58
17⅝	5⅝	—	International Tel. & Tel	26¾	26¾
66⅝	39	0.25	Johns Manville	9⅝	9½
23¼	14	0.60	Kennecott	55½	54
43¼	20⅝	2.00	Loew's Inc.	18¼	18½
22½	15¾	1.20	Lorillard	43¾	43¾
77	39	—	Monsanto Chemical	21½	21¾
35⅝	20	—	Montgomery Ward	29⅝	72½
49½	22¼	1.60	Nat. Biscuit	72½	29½
43	16⅞	1.00	National City Bank	28	27½
18⅜	13	1.20	National Dairy Prods.	28	27½
31⅝	16	2.00	National Distillers	16⅝	16½
15½	5	0.80	National Power & Lt.	27½	27⅜
45¼	12¼	—	New York Central	9⅝	9½
26¼	9¼	1.00	North American	17¼	17¼
25¼	12⅝	1.50	Pacific Gas & Electric	18⅝	18¼
37	19	2.40	Pacific Lighting	25	24⅝
6⅜	2⅜	—	Packard Motors	36	37
77	51½	—	Penney, J.C.	4⅛	4¼
39¼	17¼	1.00	Pennsylvania Railroad	77	76¼
22¾	13	1.00	Phillips Petroleum	23	23¼
45	20⅜	2.40	Public Serv. of N.J.	21½	21½
8¼	4	—	Radio Corporation	38¼	38⅝
62⅞	43¼	3.00	Reynolds Tobacco "B"	6½	6½
38⅝	17¼	—	Schenley	52¼	52¼
51¼	31	0.75	Sears Roebuck	30⅝	30⅝
19⅞	11	0.60	Socony-Vacuum	47	46¾
22¼	10⅛	1.50	Southern California Edison	18	13
33¾	13	—	Sthrn. Pacific	19⅞	19¾
25¼	13¾	1.00	Standard Brands	17¾	18
17	1⅝	—	Standard Gas & Electric	16⅛	15⅞
50⅛	35¾	1.00	Standard Oil Co. of N. J.	4¼	3⅞
67	47¼	3.80	Sterling Products	48	47⅞
43¼	29	2.00	Texas Gulf Sulphur	63	62½
8½	5	0.30	Transamerica	34½	34⅛
65	35⅞	1.60	Union Carbide & Carbon	6⅞	6⅞
133⅞	83¼	6.00	Union Pacific	65	63⅞
15¼	3¼	—	United Aircraft (New)	108⅝	103¾
6½	3¾	—	Un. Airline Trans.	15	14⅞
8⅞	1½	—	United Corporation	5¾	5⅞
60¼	40¼	—	Univ. Leaf	4⅛	4
64¾	32	—	U.S. Indus. Alcohol	66¼	66
24	9⅜	—	U. S. Rubber	43	44
59⅞	27⅞	—	U. S. Steel	13¼	13¼
21⅝	11½	—	Vanadium	36¾	36¼
8¼	2¼	—	Warner Bros. Pictures	14⅞	15
58⅞	27⅞	—	Westinghouse Electric	4	4
				59⅞	58⅞

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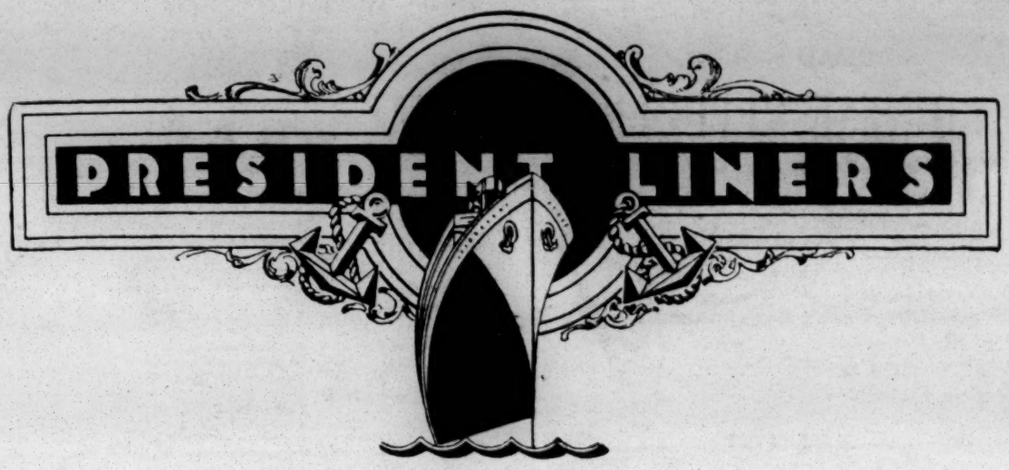

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